

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 8/25/02
Department Name: Social Services
Department No.: 044
Agenda Date: 9/10/02
Placement: Departmental
Estimate Time: 20Minutes on 10/1/02
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Charlene A. Chase, Director
Social Services Department

STAFF CONTACT: Michele Fitzpatrick
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SUBJECT: Report on the Electronic Benefit Transfer Benefit Distribution System to be implemented in February 2003 for CalWORKs, General Relief and Food Stamp Benefit Distribution

Recommendation(s):

That the Board of Supervisors set a hearing for October 1, 2002 to receive a report on the implementation of the federally mandated Food Stamp Electronic Benefit Transfer (EBT) system that will also be used to distribute CalWORKs and General Relief cash benefits in Santa Barbara County.

Alignment with Board Strategic Plan:

The report is primarily aligned with Goal No. 7. A Community that Fosters the Safety and Well-Being of Families and Children.

Executive Summary and Discussion:

State legislation requires the use EBT for issuing Food Stamp benefits starting in 2003. The same legislation allows individual counties to choose to use the EBT system to distribute CalWORKs, Refugee Cash Assistance, Cash Assistance Program Immigrants and General Relief cash benefits as well. In July 2001 the Board of Supervisors authorized the Department of Social Services working with the County Treasurer and the Auditor-Controller to use EBT for the distribution of cash benefits since it was determined to be beneficial to the county and the client population.

There are significant client service considerations when cash benefits are included with EBT. EBT is currently operating successfully in forty states. Experience in those states shows there is little client resistance to EBT and that the overwhelming majority of clients prefer EBT for the following reasons.

1. EBT reduces the stigma of cashing welfare checks.
2. Client cash benefits are not subject to mail loss or theft.
3. Clients do not have to travel to check distribution sites or wait for checks to arrive in the mail.

4. Clients can draw from their available cash balances as needed rather than cashing a check for the whole benefit amount.
5. Eliminates difficulties in cashing checks for clients that do not have a bank account.
6. If the EBT card is lost or stolen, clients can call a toll-free customer service desk to deactivate the card.
7. An electronic audit trail of EBT transactions and ATM security videos, enhance the ability to identify persons using the EBT card without the clients' authorization.
8. Printed receipts with remaining balances provide clients the opportunity to see where their money is spent and to improve their money management.
9. Clients have more options for obtaining cash benefit with EBT, including "no-cost" options, however, clients may decide to obtain cash benefits at locations with a surcharge because they are more convenient.
10. If clients maintain the security of the PIN, the cash benefits are protected from misuse, however, if the PIN is given to another person the entire benefit balance is accessible by that person.

Mandates and Service Levels:

Federal regulations mandate the use of EBT for the Food Stamp program. State EBT legislation allows each county to choose whether to use the EBT system for cash program benefits. In July 2001 your Board Authorized the Department of Social Services to include in EBT Cash Benefits for CalWORKs, General Assistance/Relief, and Refugees Cash Assistance programs.

Fiscal and Facilities Impacts:

A cost analysis performed in July 2001 identified the cost of mailing cash benefits as it is currently done and compared that cost to the cost of doing business under EBT. This comparison estimated that mailing cost would be reduced by approximately \$83,188 per year. Next the cost of using the EBT system was analyzed. It is estimated that using EBT for cash distribution will cost the county \$147,372 annually. This cost was then offset with the mailing cost reduction of \$83,188 to show a net cost of \$64,184 annually. The cost of implementing EBT will be funded through the single allocation received from the State and Federal governments. There will be no increase in the usage of local tax dollars.

Special Instructions: N/A

Concurrence:

Auditor-Controller
County Counsel
Treasurer

Appendices:

MS PowerPoint Presentation of the Report.
DSS Letter to Santa Barbara County Community Based Organizations
DSS Informational Handout "EBT at a Glance"
DSS Letter to Clients informing them of the EBT Project

EBT AT A GLANCE

What does EBT stand for?	Electronic Benefit Transfer	
What is EBT?	EBT is a benefit issuance system, using a debit-type card, which is run by Citicorp Electronic Financial Services (CEFS or Citicorp) under a contract with the state.	
When does it Begin in Santa Barbara County?	February 2003	
What is the “Golden State Advantage Card?”	<ul style="list-style-type: none"> • This is the name of the EBT card that the client will use. Each client and Authorize Representative (AR) will have their own card and will use it via their <u>own</u> Personal Identification Number (PIN). • The EBT card can be used just like a debit card at ATMs and Point-of-Sale (POS) devices. • The client will have separate accounts for Food Stamps and for cash but they are both on the <u>same card</u>. • If a client does not use all of their benefits in a given month, the balances will “roll over” to the next month. • The EBT card can be used outside of Santa Barbara County. 	
What Programs are Included in EBT?	All Food Stamp cases are included. The EBT card replaces Direct Mail (DM) Food Stamp Coupons.	
	Cash programs include: <ul style="list-style-type: none"> • CalWORKs • General Relief • Refugee Cash Assistance 	
What Programs are NOT Included in EBT?	<ul style="list-style-type: none"> • CAPI • Foster Care • Medi-Cal • Adult Protective Services 	<ul style="list-style-type: none"> • Vendor Payments • Employment Payments (GIS) • In Home Supportive Services
Who can be Exempt from Cash EBT?	<ul style="list-style-type: none"> • Remote • Out of County • Language • Disability • Other <p>There are <u>no</u> exemptions for Food Stamps. Food Stamp benefits must be issued via EBT.</p>	
What about Direct Deposit?	Direct Deposit, instead of <u>cash</u> EBT, is still available to clients for their CalWORKs benefits.	
What should a Client know about their Food Stamp Benefits under EBT? <div style="text-align: center;">  </div>	<ul style="list-style-type: none"> • Under EBT, Food Stamp benefits can be used at the <u>same</u> grocers that accept Food Stamps now. • There is <i>never</i> a charge to use a grocer’s Point-of-Sale (POS) terminal for <u>Food Stamps</u>. • A grocer that accepts the EBT card for Food Stamps benefits will display the Quest logo somewhere in the store. The Quest logo with a grocery bag symbol indicates that Food Stamps are accepted at this location. 	
What should a Client know about their Cash Benefits under EBT? <div style="text-align: center;">  </div>	<ul style="list-style-type: none"> • ATMs that accept the EBT card for cash transactions will display the Quest logo. • POS terminals that accept the EBT card for cash transactions will also display the Quest logo. The Quest logo with a dollar (\$) sign indicates that cash EBT transactions can be done at this location. • There may be a fee for using POS devices or ATMs machines for withdrawing cash and/or making a purchase using <u>cash</u> benefits. See the section regarding ‘fees’, below. 	

<p>What Types of Fees are Associated with an ATM?</p>	<p>There are two types of fees that may be charged for <u>cash</u> transactions; transaction fees and surcharges.</p> <ul style="list-style-type: none"> • Clients are allowed to make four (4) cash withdrawals each month from an ATM or POS without a <u>transaction fee</u>. After four cash withdrawals, a charge of 85-cent per transaction will be taken from their account. • A <u>surcharge</u> is a service fee that some stores and banks MAY charge <i>each time</i> a client gets cash benefits with their EBT account. Before using their card, clients should look for a notice that tells them about any surcharges on the ATM screen, or on a sign near the POS device in stores. If they do not want to pay a surcharge, they should choose another location.
<p>What Type of Client Service will Clients have Access to?</p> 	<p>Citicorp provides a 24 hour toll free Client Service helpline:</p> <ul style="list-style-type: none"> • Helpline provides access to an Automated Response Unit (ARU) and access to a Client Service Representative • Clients can call the Helpline for the following: <ul style="list-style-type: none"> ○ Obtain account balance(s) ○ Report lost, stolen, or damaged cards ○ Request a new card ○ Change their PIN <p>Clients can check their balances at ATMs or POS devices that have a Quest symbol. They will be charged 25 cents to check the balance.</p>
<p>What Training will be Provided to Clients on Using the EBT Card?</p>	<ul style="list-style-type: none"> • Most clients are familiar with using debit-type cards. • These clients will be able to use their EBT card after reading the training materials (see below). • If clients need more information, they can come into a County Welfare Department (CWD) for assistance. During case conversion, Citicorp will conduct trainings at specified locations. • Special needs clients (e.g. homeless) will receive training when they pick up their cards at a CWD.
<p>What Types of Training Materials are Provided to the Client?</p>	<ul style="list-style-type: none"> • Training Pamphlet (to be mailed or distributed in January) • Wallet Card (to be mailed or distributed in January) • A Training Video will be available at all CWD for viewing.
<p>What Languages are the Materials provided in?</p>	<p>The Training Materials and the Helpline are available in 10 languages:</p> <ul style="list-style-type: none"> • English • Spanish • Mandarin • Vietnamese • Cambodian • Russian • Hmong • Eastern Armenian • Lao • Farsi
<p>What Day will Food Stamps be Available Each Month?</p>	<p>The Food Stamps will continue to be stagger issued based on the last digit of case serial number. This date will never change, unless the case number changes. There are no exemptions from staggering for FS.</p> <ul style="list-style-type: none"> • 1 = 1st day • 2 = 2nd day • 3 = 3rd day • 4 = 4th day • 5 = 5th day • 6 = 6th day • 7 = 7th day • 8 = 8th day • 9 = 9th day • 0 = 10th day
<p>What Day will CalWORKs and General Relief Payments be Available Each Month?</p>	<p>The Cash payments will also be staggered issued and based on the last digit of the case serial number. This date will never change, unless the case number changes. In rare cases, there may be exemptions from staggered issuance based on hardships.</p> <ul style="list-style-type: none"> • 1, 2, 3 = 1st day • 4, 5, 6, 7 = 2nd day • 8, 9, 0 = 3rd day



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TO: SANTA BARBARA COUNTY COMMUNITY BASED ORGANIZATIONS

We are pleased to announce that we will be implementing Electronic Benefit Transfer (EBT) in February 2003 for our CalWORKs, General Relief, and Food Stamp Clients. As an organization that may deal with those clients, we feel it is important for you to be aware of this major change we will be making in how we deliver benefits.

EBT is an electronic benefit delivery system that works like an ATM card. Instead of issuing benefits to clients with paper checks and paper food coupons, they will receive a plastic debit card that can be used at ATMs, Point of Sale (POS) machines in grocery stores, banks, gas stations, retail stores, etc., to buy food and get their cash benefits.

EBT replaces paper checks and paper food coupons; it does not change any of the eligibility rules or benefit amounts for our programs.

Federal Welfare Reform legislation passed in 1996 requires all states to implement EBT for Food Stamps and many states are already issuing food benefits using EBT. EBT modernizes the delivery of food stamps, helps reduce the stigma attached to purchases made with coupons, increases the security and reliability of benefits, reduces food stamp fraud, and is safer for clients.

California legislation allows each county to decide if cash benefits will also be issued via EBT. Santa Barbara County has made the decision to do so. Clients will no longer have to wait for the mail to receive their check or pay a fee to have their check cashed.

In addition to the EBT card, each client will be issued a Personal Identification Number (PIN) which they will be instructed to keep secret.

The food stamps benefits will be issued into the EBT accounts on a staggered issuance cycle the first 10 days of the month, as they are now. The day of issuance matches the last digit of the client's case number.

The cash benefits will be issued also on a staggered cycle the first three days of the month, depending on the last digit of the client's case number. This is new, as we have been issuing paper warrants for CalWORKs clients on first day of the month, and for General Relief clients on the first and fifteenth of the month. We will be making an appeal to landlords to not charge clients a late fee for rent if received in the first three days of any month.

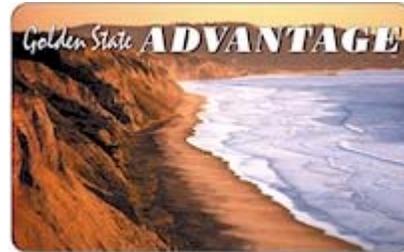
Enclosed is more information on EBT. If you would like to attend a training session on EBT, which will give you more information and address your questions, please call Bev Littlejohn at (805) 737-7010 or email her at blittle@co.santa-barbara.ca.us.



Electronic Benefit Transfer

In February 2003, Santa Barbara County will change the way we issue your cash and Food Stamp benefits. You will no longer receive paper checks and/or paper Food Stamp coupons. Instead, you will be given a card called the "Golden State Advantage" Card, which is similar to an ATM card (Automated Teller Machine). With this card, you will be able to get and use your benefits electronically.

The card will look like this:



THERE ARE OTHER CHANGES COMING WITH EBT WHICH YOU NEED TO KNOW ABOUT

CALWORKS CASH BENEFITS

Instead of receiving your paper check in the mail each month on the first day of the month, you will have your cash benefits available on your Golden State Advantage Card on either the first, second, or third day of each month. Which day you will receive your cash benefits will depend on the last digit of your CalWORKs case number.

PLEASE USE THE CHART BELOW TO SEE WHAT DAY YOUR CASH BENEFITS WILL BE AVAILABLE TO YOU.

Last digit of Case Number	Date Cash Benefits are Available
1 - 3	Calendar Day 1
4 - 7	Calendar Day 2
8 - 0	Calendar Day 3

SAMPLE CASE NUMBER: 42-100067 – 00
↑

Using this sample case number, the last digit is "7" and the cash benefits would be available on the second day of each month.

One of the reasons for this "staggered" issuance of benefits is to assist the banks in making sufficient money available in their ATM machines.

We encourage you to talk to your landlord as early as possible if you are going to receive your benefits on the second or third day of the month to work with them to avoid late charges on your rent.

GENERAL RELIEF CASH BENEFITS

If you have been receiving General Relief cash benefits, you have been receiving two paper checks in the mail: one on the first of the month and one on the 15th of the month. With EBT, you will now have your total month's cash benefit available on the first, second, or third day of the month, depending on the last digit of your cases number.

SEE THE CHART AND SAMPLE CASE NUMBER TO SEE WHEN YOUR CASH BENEFITS WILL BE AVAILABLE ON YOU GOLDEN STATE ADVANTAGE CARD.

Start planning now to budget your money to last the entire month and talk to you landlord about when you will receive benefits. If you have difficulty with this, ask your worker for help.

FOOD STAMP BENEFITS

If you have been receiving Food Stamp Coupons in the mail, they have been issued over the first ten days of the month depending on the last digit of your Food Stamp Case Number. You may not have received them in that time frame due to the Post Office being closed on Sundays and Holidays.

With EBT, we will continue to issue Food Stamp Benefits over the first ten days of the month, but they will always be available on your EBT card on the specific day on the month automatically each month. There will be no delays due to mail delivery.