

EBT Today and Tomorrow – Again!

Tim O'Connor and Jeff Cohen reviewed the lay of the land with regards to Electronic Benefit Transfer. Removing the stigma previously attached to using food stamp coupons and helping to move recipients into mainstream America have been successes of the EBT program. Currently, approximately 80 percent of all food stamp recipients access their benefits via EBT.

There are still several issues facing EBT according to Tim O'Connor, Director Benefit Redemption Division, and Jeff Cohen, Chief of the EBT Branch, USDA-FNS. Ten states/territories do not currently have an EBT contract in place. This is due to a variety of reasons including the following: small caseloads, state political concerns, infrastructure, and finances.

Three rules specific to EBT either have been finalized or are expected to be issued. Highlights of the rules are:

Rule 1 – Interoperability

- a. Quest-sponsored final rule,
- b. Requires FNS to pay annual costs to eligible states,
- c. states send in quarterly reports to be paid.

Rule 2 – Adjustments

- a. final rule published July 5, 2000,
- b. major points
 - limits adjustments to one future month only,
 - holds placed on adjustment amount available in client's account,
 - client initiated adjustments must be completed within ten days of notification,
 - clients have 90 days to notice and report an error affecting their account.

Rule 3 – Welfare Reform

- a. published November 21, 2000,
- b. major provisions
 - EBT implementation by September 2002,
 - cost neutrality measured over life of the project,
 - availability of national cost cap,
 - card replacement fees may be covered by benefits,
 - off-line systems an operational alternative.

States, with the encouragement of FNS, are beginning to look at ways to reach farmers' markets and other outbased vendors. New York and Florida are doing wireless tests and several other states are exploring script-based projects.

Mr. O'Connor also encouraged states to begin developing a disaster preparedness plan for EBT. FNS has prepared an EBT disaster guide to aid states in this process.

What is the future of EBT? FNS believes that as states bring up EBT or rebid their contract, more companies should be encouraged to compete for the contracts. This will help FNS determine a truer cost of doing EBT.