



NEWS RELEASE

California Department of Social Services

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Expanded Public Access and Lower Costs Highlight New EBT Procurement

SACRAMENTO - The California Department of Social Services (CDSS) is announcing the selection of a new vendor that will spearhead the effort to increase access to public assistance benefits and reduce excessive ATM surcharge fees for more than two and a half million Electronic Benefits Transfer or “EBT” clients.

The winning bid submitted by Fidelity National Information Services Inc. (FIS) for the “EBT 3” project, includes free unlimited, in-network cash withdrawals and balance inquiries and significantly expands the number of surcharge-free automated teller machine (ATM) locations available in the California EBT network.

“Greater access to surcharge free transactions and financial information is crucial to daily lives of low income families across the state,” says Will Lightbourne, Director of the California Department of Social Services. “This will put more benefits in the pockets of California families, rather than the banks.”

The winning bid effectively doubles the size of the surcharge free EBT network. Currently, EBT clients are forced to pay surcharges of two-dollars or more per withdrawal at most out-of-network ATM locations. In 2014-15, low-income Californians paid more than \$19-million in EBT related surcharge fees to banks.

EBT 3 includes enhancement options encouraging the vendor to mitigate those fees and decrease the overall percentage of cash transactions in which EBT users pay costly ATM surcharges.

The seven year, \$168 million agreement also includes enhancements to improve network functionality and flexibility with the development of a downloadable mobile device application and expanded website services to assist EBT clients in finding EBT retailers and surcharge-free ATM locations. Additionally, EBT 3 provides an expanded data warehouse application to augment the use of predictive analytics, improving services and program integrity efforts.

"This was a tough and competitive procurement process. FIS brought many features to the table that will serve California EBT clients more effectively," said John Boule, Director of the California Office of Systems Integration. "This bid will also save taxpayers as much as 34-percent on the monthly fees for operating the EBT system."

Type of Public Assistance Benefit	Current Monthly Cost per Case	New Monthly Cost per Case	Savings
Food Only	\$0.620	\$0.465	25 %
Cash Only	\$0.600	\$0.500	16.67%
Food and Cash	\$1.170	\$0.770	34.19 %

The "EBT 3" contract is expected to be finalized in the spring of 2016, with FIS beginning operation of the EBT system in State Fiscal year 2017-18.

EBT services assist California households receiving benefits from CalFresh (federally funded SNAP and the state-funded California Food Assistance Program and the Restaurant Meals Program) and/or cash benefits programs, such as California Work Opportunity and Responsibility to Kids (CalWORKs), Refugee Cash Assistance, General Assistance/General Relief, and Cash Assistance Program for Immigrants. By using their Golden State Advantage EBT card, recipients may access food benefits at Food and Nutrition Service (FNS)-authorized retailers and their cash benefits at ATMs and FNS-authorized retailer locations.

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