

# **New York Times - Electronic Cards Replace Coupons for Food Stamps**

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WASHINGTON, June 22 — The Bush administration announced Tuesday that it had completed one of the biggest changes in the history of the food stamp program, replacing paper coupons with electronic benefits and debit cards.

At the same time, the administration said it wanted to rename the program because the term "food stamps" had become an anachronism. It is inviting the public to suggest how to update the name of a program that became a permanent part of the government, and the nation's vocabulary, during Lyndon B. Johnson's Great Society era.

Electronic benefits have replaced food stamp coupons in all states, and more than half the states now issue electronic benefits in place of welfare checks as well. In addition, some states are using debit cards for Medicaid and the Special Supplemental Nutrition Program for Women, Infants and Children.

Agriculture Secretary Ann M. Veneman declared an end to the "paper era" of the food stamp program on Tuesday at a conference of state officials here.

"This month the food stamp program arrived in the 21st century," Ms. Veneman said. "States are destroying the paper coupons, and we don't anticipate that we'll ever have to print them again."

Food stamp recipients generally like debit cards because they avoid the stigma that can be associated with the use of paper coupons. Grocers like the new technology because they are paid faster, often within 48 hours; cashiers do not have to handle vouchers; and there are no coupons to sort, count and bundle.

State officials said they preferred the electronic system because it was simpler to administer and helped reduce fraud and abuse by eliminating the paper coupons that can be lost, sold or stolen. Over the years, food stamps have been sold on the black market and used as a form of currency to buy narcotics and other contraband.

More than 23 million people receive food stamp benefits each month, but nationwide only three of five eligible people are participating. Unlike most other assistance programs, food stamps are available to most low-income households with few assets regardless of age, disability or family structure.

States experienced a number of problems when they began testing electronic benefit technology in a few counties 20 years ago. But most of those problems have been worked out, officials said.

California was the last state to complete the shift. Christine Dunham of the state's Health and Human Services Agency said that Los Angeles County, with 40 percent of the state's food stamp recipients, made the change to electronic benefits in March, and six other counties switched over this month.

Under the new system, each recipient has an account in which benefits are electronically deposited each month. A food stamp recipient can draw on the account in the checkout line of a grocery store, by sliding a plastic card through the same device used by other customers paying with commercial debit or credit cards. The food stamp recipient needs to punch in a four-digit personal identification number. The account is debited for the precise amount of the transaction, and food stamp recipients do not get cash back in change.

Connie B. Reinhardt, the electronic benefits director at the Florida Department of Children and Families, said the new technology had produced an increase in the use of food stamp benefits there because recipients no longer had to go to a state office once a month to pick up coupons. In the past, she said, about 15 percent of the people enrolled in the Florida program failed to pick up the vouchers to which they were entitled.

The number of people in the national food stamp program has shot up by 6.5 million, or 38 percent, in the last three years and by 2.8 million, or 13 percent, just in the last year, to 23.8 million in March 2004.

The soft economy is one reason for the increase. Another factor is that the government has been encouraging eligible people to participate, emphasizing that the program is not welfare but nutrition assistance.

Frederick Henry, 35, of West Palm Beach, Fla., said the electronic benefit system "gives you a lot more privacy in purchasing merchandise." By contrast, he said, "it was sometimes embarrassing" to use paper coupons. "It would lower your self-esteem. People would hiss at you and look at you funny because you were holding up the line."

As a teenager, Mr. Henry said, he saw "addicts who would trade food stamps for drugs even though they had sick children starving." Now, he said, "you have no choice but to purchase food."

Another food stamp recipient, Jessette Santiago of New York City, said the electronic benefits helped her manage spending on groceries. "The more money you have in your hand," she said, "the more you spend. But with electronic benefit transfer, I budget myself for the month. I have three kids and I get \$364 a month, so I spend about \$100 a week."

Outside the Community Kitchen of West Harlem, which serves 800 dinners a day to low-income people in New York, opinion was divided.

Robbin Smoke, 44, said she would prefer to have the paper coupons. "The cards don't always work," she said. "It's a pain. You can't get cash back now."

She and several other food stamp recipients said they found it somewhat easier to keep track of their unused benefits when they had a booklet of paper coupons.

Phillip Harrison, 67, of Manhattan, said he would take either form of assistance, "as long as I have something to eat."

The food stamp program has its roots in the Depression era. It operated as a temporary measure from 1939 to 1943. After 18 years of studies and legislative debate, it was restarted as a pilot program in 1961 and made permanent three years later as part of President Johnson's Great Society.

In signing the law on Aug. 31, 1964, Johnson said the program, "one of our most valuable weapons for the war on poverty," combines humanitarian instincts with the best of the free-enterprise system, improving the diets of low-income people "while strengthening markets for the farmer and immeasurably improving the volume of retail food sales."

As part of the 2002 farm bill, Congress revised the food stamp program to encourage participation by more of the working poor. A major goal was to "make work pay," said Robert Greenstein, a former head of the Food and Nutrition Service who is now executive director of the Center on Budget and Policy Priorities.