CHAPTER II

STATE POLICY DESIGN AND IMPLEMENTATION

When a state decides to adopt simplified reporting, its policymakers must make several design decisions before implementing the new policy. Federal rules give states substantial flexibility in determining the specifics of their policy design, and study states have chosen different approaches. This chapter describes the nature of these design decisions and the policy choices made by the four study states. We then describe the major steps taken at the state level to implement the policy, including the planning process, computer systems changes, and local office staff training.

A. POLICY DESIGN CHOICES

States have four important design choices to make when implementing simplified reporting:

1. What population to include in simplified reporting

2. Length of the simplified reporting certification period

3. Whether to respond only to reported changes that would increase benefits (positive-only changes) or to apply for a USDA waiver to respond to all changes

4. Whether to align the certification periods and reporting requirements of other programs with those of the Food Stamp Program (FSP)

In general, study states designed their simplified reporting policies to best meet their needs with respect to reducing field staff workload, improving client access, and protecting QC error rates. Additional factors affecting state choices include the following: (1) previous reporting policies, (2) concerns about program complexity, (3) fiscal or staffing limitations, (4) computer system technical constraints and/or costs, and (5) relationships among the various agencies or departments and individuals governing the FSP, TANF, Medicaid, and child care assistance.

Table II.1 summarizes the study states' specific design decisions. Table II.3, at the end of this section, summarizes the state considerations when making these design decisions.

Table II.1. State Simplified Reporting Design Decisions

	Study States			
Key Decisions	Arizona	Louisiana	Missouri	Ohio
Implementation date	January 2003	August 2001	May 2001	July 2002
Population covered	Earners and nonearners	Earners only[a]	Earners and nonearners	Earners only
Length of certification period	12 months	12 months	6 months	6 months
Response to interim changes	Positive only	All	Positive only	All
Alignment of change reporting requirements of other programs with food stamp reporting requirements	FSP and TANF	FSP, TANF, Child Care	None	None

[a]Louisiana expanded to nonearners in July 2003, shortly after our site visit.

1. Deciding What Population to Cover with Simplified Reporting

Although simplified reporting initially covered only households with earned income, the 2002 Farm Bill extended the provision to households without earned income, thereby according states considerable discretion in selecting whom to cover. Thus, states may place both households with earnings and those without earnings in simplified reporting.

In addition, federal law prohibits states from requiring a periodic (e.g., semiannual) report from certain households or using simplified reporting for households with certification periods shorter than four months.[1] USDA Q&A documents implementing the Farm Bill exclude or recommend excluding the following groups from simplified reporting:

- Households without earnings in which all adult members are elderly or disabled[2]
- Households in which all members are homeless[3]

[1] 7 U.S.C. 2015(c)(1).

[2] As clarified in USDA's Q&As (first set), USDA excludes households with no earned income in which all of its adult members are elderly or disabled because these households generally have certification periods of up to two years and experience very few interim changes in circumstances. Because these households are excluded from periodic reporting, they would have to be given (four-, five-, or) 6-month certification periods, which would increase the burden and make it more difficult for such households to retain food stamps.

[3] As clarified in USDA's Q&As (second set), given that periodic reporting is not permitted for households in which all members are homeless and migrant or seasonal workers, a state agency may include these households in simplified reporting only if it gives certification periods of (four, five, or) 6 months (no more and no less).

- Households that include migrant or seasonal workers

- Able-bodied adults without dependents (ABAWDs)[4]

At the time of our site visits, Arizona and Missouri had expanded simplified reporting to include households without earnings, and Louisiana had plans to expand to nonearners in the month following our site visit (July 2003). Ohio, however, has not expanded simplified reporting to nonearners. All four study states exclude households without earnings in which all adult members are elderly or disabled as well as households with migrant or seasonal workers. 3 of the study states (all except Missouri) also exclude the homeless and ABAWDs.

a. Factors Contributing to Choice of Expanding to Households Without Earnings

The study states that expanded simplified reporting to nonearners indicated that they intended to maximize the potential benefits of the option with regard to error rates, client access, and workload by covering more households as follows:

- Missouri hoped to improve QC error rates by broadening its coverage and thus minimizing the number of households required to report changes between reviews. To limit its exposure to errors to the greatest degree possible, the state also extended simplified reporting to homeless households and ABAWDs, populations excluded by most states. Missouri can include homeless households in simplified reporting because it uses 6-month certification periods without periodic reporting requirements (states are prohibited from requiring periodic reports from these households). Missouri also uses 6-month certification periods for its ABAWDs and requires ABAWDs whose eligibility depends on working at least 20 hours a week to report when their hours drop below the minimum 20 hours (the only reporting requirement for any simplified reporting household beyond reporting income in excess of 130 percent of the poverty line). Staff reported that their automated system easily maintains a separate ABAWD time clock, with benefits terminated when the time limit is reached regardless of where a household falls in its certification period.

- Arizona, aiming to improve food stamp access and nutritional support for its clients, adopted the option for the expanded population in order to maximize the number of households in its caseload with frozen benefits. Arizona, which requires households to submit periodic (semiannual) reports, excluded

[4] ABAWDs are restricted to 3 months of food stamps in any 36-month period unless they work at least 20 hours per week (or exempt for other reasons). As clarified in USDA's Q&As (first set), USDA discourages the inclusion of ABAWDs in simplified reporting because (1) if ABAWDs are subject to the 3-month time limit, the state would likely have to remove the ABAWD before the next recertification or semiannual report; and (2) if ABAWD eligibility depends on working 20 hours per week, the household must report if the ABAWD's hours drop below the minimum 20 hours, thereby contradicting the strictly reduced reporting requirements of simplified reporting.

homeless, migrant or seasonal workers, ABAWDs, and households without earnings in which all members are elderly or disabled.

- Louisiana, which planned to extend simplified reporting beyond earners immediately after our site visit, described the expansion of its simplified reporting population as the natural next step for a state focused on both reducing workload through FSP simplification and improving program access. Staff reported that they expected expanded simplified reporting to nonearners to allow more households to realize savings akin to those realized first from quarterly reporting and later from semiannual reporting for earners. Similar to Arizona, Louisiana requires periodic (semiannual) reports and thus excludes from simplified reporting homeless, migrant and seasonal workers, ABAWDs, and households without earnings in which all members are elderly or disabled.

b. Factors Contributing to Choice of Covering Earners Only

Ohio reported that expanding its simplified reporting population to nonearners would be of limited benefit to clients and caseworkers. Most Ohio nonearners were already assigned to a certification period of 6 months or longer and thus would not have their certification periods expanded under simplified reporting, with some even disadvantaged by shorter certification periods. On the other hand, Ohio earners, many previously in 3-month certification periods, benefited greatly from the extended 6-month certification period under simplified reporting.

States adopting simplified reporting for earners only have also sought to maximize the potential benefits of simplified reporting and to reduce caseworker confusion by defining as many households as possible as "earners," including those considered to be temporarily unemployed. For example, Louisiana, which covered earners only at the time of our site visits, assigned to simplified reporting any household with as little as $1 in countable earned income or any unemployment insurance. Further, households that lost (or never regained) earned income were not removed from simplified reporting until the end of their certification period.

2. Determining the Length of the Certification Period

Under simplified reporting, states may assign eligible households to either a 12-month certification period with a short semiannual report required at 6 months or to a 6-month certification period with a complete recertification every 6 months.[5] For states using a 12-month certification period, the state reevaluates and adjusts the household's eligibility and benefits at the end of 6 months for the next 6-month period based on the information

[5] When the state assigns a household to a certification period of more than 6 months, it must require a semiannual report. States can assign a household to four, five, or 6 months of continuous eligibility without a semiannual report.

included in the semiannual report.[6] The state *must* act on all changes in the semiannual report. For states using a 6-month certification period, the state requires the household to reapply (or recertify) every 6 months.

During the 6 months between certifications or semiannual reports, households must report to the food stamp agency only if their income rises above the gross income limit (130 percent of the federal poverty level) or if an ABAWD's work hours drop below 20 per week. They may (but do not have to) report other changes in circumstances, and states have some flexibility over how they respond to changes that are reported, as discussed in section 3.

At the time of our site visits, Louisiana and Arizona had adopted a 12-month certification period with a semiannual report. Missouri and Ohio elected a 6-month certification period and require full recertification at the end of that period. (After our site visits, Arizona chose to change to a 6-month simplified reporting certification period and thus drop the semiannual report.)

a. Factors Contributing to Choice of a 12-Month Certification Period

States' previous reporting systems invariably affected their choice of certification period as well as their perceptions of the amount of work involved in adopting semiannual reporting. For example, before the advent of simplified reporting, Louisiana used 12-month certification periods with quarterly reporting for nonpublic assistance food stamp households with earnings. Quarterly reporting—with 3 short mail-in reports distributed to clients quarterly and a full recertification in the final quarter—resembled semiannual reporting. Accordingly, Louisiana was already accustomed to 12-month certification periods and the procedures surrounding periodic reports. The state had only to modify its existing quarterly report form and its periodicity to proceed with semiannual reporting. Procedures for automating the printing, mailing, and processing of the forms were already established and tested.

It appears that another significant consideration in Louisiana's and Arizona's choice of 12-month certification periods was that use of a short mail-in semiannual report instead of full recertification at 6 months would reduce the number of in-person client interviews required each year. Staff expected that a reduction in interviews would yield the greatest potential for workload reduction, reduced burden for clients, and enhanced QC protection. Louisiana staff, for example, universally reported that it is easier and less time-consuming to send and process a semiannual mail-in report than to recertify a client in an in-person interview. With so many clients missing appointments, the processing of semiannual report forms and even the mailing of reminder notices take less time than just the scheduling and rescheduling of recertification appointments (let alone the interview itself).[7] In addition,

[6] For the semiannual report, federal regulations require households to provide information on only 6 items: income, household composition, residence, vehicles (if not excluded), assets, and changes in child support obligations.

[7] As many as a third of clients in Louisiana miss their initial recertification appointment.

Arizona staff mentioned that, compared with the 6-month renewal and its requirement for full verification of most items, a semiannual report does not require caseworker verification for items that have not changed.

States selecting 12-month certification periods also reported that they expected greater QC protection than under a 6-month certification period. In particular, they pointed out that the semiannual report, as mandated by USDA, covers far fewer items than a full renewal and that states would be held accountable only for items included on that form versus risking full QC exposure for all items determining eligibility under a full recertification.

b. Factors Contributing to Choice of 6-Month Certification Period

States that decided against a 12-month certification period based their decision on concerns about adopting a semiannual report. Missouri staff, for example, reported that they rejected 12-month certification periods in part because of the projected costs of designing and programming a semiannual report and the logistics of processing the forms. Instead, state policymakers concluded that 6-month recertifications were easier and less costly.

QC concerns also contributed to states' decisions to use 6-month certification periods with full recertification at 6 months. Missouri's policy staff did not perceive that a semiannual report rather than a full recertification would reduce QC exposure. They also reasoned that clients would be more likely to provide all necessary information in an in-person interview rather than on a mail-in form and that caseworkers would be more likely to obtain complete information during an interview.

Staff in the study states that decided to use 6-month certification for simplified reporting pointed out that more frequent in-office visits can benefit clients, especially those with several barriers to long-term self-sufficiency. Meeting with a caseworker more than once per year may help clients build stronger relationships with their caseworker, learn about other programs for which they are eligible, and receive coaching and motivational assistance. Program integrity also may have factored into states' decisions. Field staff in particular expressed concern about clients receiving benefits for a full year between full reviews.

It is important to note that the study states that decided to implement 6-month certification previously operated with 3-month certification periods. Thus, they, too, reported that they expected to realize significant improvements in their workload, error rates, and client access upon adoption of simplified reporting. They viewed two interviews per year under simplified reporting as a substantial reduction from four.

3. Deciding Whether to Act on Changes that Decrease the Food Stamp Benefit

USDA regulations governing simplified reporting instruct states learning of a change in a household's circumstances during the period between recertifications or semiannual reports to act on the change only if so doing would increase the household's food stamp benefit. However, the state agency must process (or act on) an adverse change (that is, one that would decrease the household's food stamp benefit) *only* when (1) it acted on the change for TANF or general assistance, (2) the change was verified upon receipt (VUR),[8] (3) the household asked the state to close the case, or (4) household income rises above 130 percent of the federal poverty line. Whether or not the VUR exception is met caused considerable confusion and frustration in the local operation of simplified reporting in positive-only states, as discussed in Chapter III. Under 12-month certifications, the state always acts on the information received in the required semiannual report, which is used to determine the household's eligibility and benefits for the next 6 months.

States have the option of applying for a waiver from USDA to allow them to act on all changes during the 6 months between certifications or semiannual reports. Over half of states that have implemented simplified reporting nationwide have applied for and received the waiver and thus act on all interim changes.

At the time of the site visits, Arizona and Missouri had acted--per the regulation--on positive changes only. Louisiana and Ohio received the waiver that allows them also to act on changes that would decrease benefits. (In the months following our site visit, Arizona also decided to request a waiver from FNS to act on all changes.)

a. Factors Contributing to Choice of Responding to Positive Changes Only (per Federal Regulations)

Reasons given by states for adopting simplified reporting per federal rules—acting on positive changes only—include the expectation that doing so would provide enhanced QC protection, reduce workload, and offer an advantage to clients whose benefits could not be decreased during the period between certifications.

To minimize exposure to potential errors, Missouri staff, for example, chose to implement simplified reporting per federal rules. The staff expected that by acting on positive changes only—and thus processing substantially fewer changes—they would see fewer processing errors and not be held QC-accountable for known negative changes. They also reported that they had expected such an approach to reduce their workload as caseworkers would process fewer overall changes, perhaps reducing by half the time spent responding to changes in client circumstances.

Arizona, focused on improving client access to food stamps, reported that it decided to implement the positive-only approach in order to minimize opportunities for reducing client benefits between certification periods. State policymakers reasoned that clients would experience a significant advantage if their reported negative changes did not cause a benefit

[8] USDA Q&A guidance defines "verified upon receipt" as information (1) that is not questionable and (2) for which the provider is the primary source of the information, as indicated in the following examples: BENDEX or SDX from the Social Security Administration, SAVE from the Immigration and Naturalization Service, unemployment compensation from the state unemployment compensation agency, and worker's compensation from the state worker's compensation agency. http://www.fns.usda.gov/fsp/rules/Memo/00/NCEP_Q_As.htm.

reduction until the end of their certification period. Responding to all changes would undercut the notion of a true benefit "freeze" and thus harm the client. Policymakers also reported that such an approach would likely reduce staff workload.

b. Factors Contributing to Choice of Responding to All Changes (by Waiver)

Ohio and Louisiana each requested and received a waiver to act on all reported or otherwise verified changes, including those that lower a household's benefit. Louisiana staff reported that they requested the waiver in order to simplify reporting practices and reduce potential errors resulting from confusion over some aspects of the federal regulation's positive-changes approach. In particular, they were concerned that the verified upon receipt exception would confuse caseworkers, clients, and QC staff and thus introduce the potential for error. The state foresaw that, to process positive-only changes, caseworkers would first have to identify whether a reported change would increase or decrease benefits, and, if it would decrease benefits, decide whether the change constituted an exception to the policy of not acting on changes that decrease benefits—a potentially complicated and error-prone process. State staff also had concerns that the process of determining the nature of a change would require staff to undertake a considerable effort to educate field workers.

Another consideration influencing states' decisions to respond to all changes involves the challenges of reprogramming automated systems to account for positive changes only, particularly in instances when other benefit programs and food stamps records are linked in the system. For these states, adopting the policy per federal regulations would have substantially delayed implementation.[9]

At the time of the site visit, Arizona—per the regulation—acted on positive changes only. However, as discussed in subsequent chapters, Arizona's state and field staff felt that the policy detracted from the goals of simplified reporting. They have subsequently requested a waiver from FNS to act on all changes.

4. Deciding Whether to Align Reporting Requirements and Certification Periods of Other Major Programs with Food Stamps

Families that participate in the FSP often are eligible for and receive benefits from other programs. In all four study states, the agency administering food stamps typically administers two or more of the 3 other major benefit programs—TANF, child care assistance, or Medicaid—that serve low-income families, often through the same caseworker. Sometimes a different agency or different division within the same agency establishes policies for the other benefit programs even if the benefit is delivered through the same caseworker delivering food stamps.

[9] Missouri was in the midst of a system redesign when it began to plan for simplified reporting and thus was able to include system instructions to respond to positive-only changes as part of its larger redesign.

The four study states varied in the extent to which they considered or were able to accomplish alignment of the change reporting and renewal processes required of the other benefit programs with those of the FSP's simplified reporting.

a. Aligning Change Reporting Requirements

Before the advent of simplified reporting, states generally used similar approaches for reporting changes for food stamps and the other benefit programs administered jointly with the FSP. Most of the study states required the prompt reporting of changes for all programs,[10] although Louisiana used quarterly reporting for some food stamp households.

Under simplified reporting, Missouri and Ohio essentially maintained change reporting for the other benefit programs delivered through the same caseworker; Louisiana and Arizona, on the other hand, extended simplified reporting beyond food stamps. Louisiana aligned the change reporting requirements for food stamps, TANF, and child care.[11] For all 3 programs, clients file a single combined semiannual report and report only changes between reports or reviews if income exceeds 130 percent of the federal poverty level. In Arizona, the reporting requirements are the same for TANF and food stamps; clients file a combined single semiannual report for the two programs. Between reports and annual reviews, recipients must report income increases that make the household ineligible for *either* program; the dollar amount triggering the required reporting of changes is much lower for TANF than for food stamps. Table II.2 summarizes the change reporting requirements for food stamp simplified reporting households receiving other benefits.

Factors Contributing to Choice to Align Change Reporting Requirements. States that altered the reporting requirements of some benefit programs to match those of the FSP under simplified reporting reported that their goal was to improve client access and reduce staff workload. It also appears that these states enlisted willing partners from significant programs. In particular:

- In Louisiana, the policy staff for the 3 affected programs—TANF, food stamps, and child care—are lodged in the same division and work together closely. Somewhat unique to Louisiana, Medicaid is administered and delivered through a different agency and, for the most part, does not interact with the other programs.

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[10] Some of the states used status reporting for food stamps, meaning that only certain employment changes, such as moving from part- to full-time employment, needed to be reported promptly.

[11] Louisiana did not immediately extend simplified reporting to child care and TANF when it first implemented the reporting requirement in August 2001. In spring and summer 2002, it extended simplified reporting for TANF and child care to those households assigned to food stamp simplified reporting.

Table II.2. Change Reporting Requirements for Food Stamp Simplified Reporting Households Receiving Other Benefits

	Food Stamps	TANF	Medicaid	Child Care
Arizona	When income exceeds 130% of the federal poverty line	When income exceeds TANF standard[a]	All changes within 10 days	*Different caseworker*
Louisiana	When income exceeds 130% of federal poverty line	When income exceeds 130% of federal poverty line	*Different caseworker, different agency*	When income exceeds 130% of federal poverty line[c]
Missouri	When income exceeds 130% of federal poverty line	All changes within 10 days	All changes within 10 days	All changes within 10 days
Ohio	When income exceeds 130% of federal poverty line	Changes within 10 days[b]	All changes within 10 days	*Different caseworker*

[a]In Arizona, the TANF standard is 36% of the 1992 federal poverty level, for example, $347 for a family of 3.

[b]In Ohio, TANF policy staff require recipients to report changes in the source of earned or unearned income, including gaining, losing, or changing employment; initial receipt of unearned income; and change in gross income of more than $25.

[c]In Louisiana, clients receiving child care benefits are also required to report (1) if there is a change in child care providers; (2) if a child receiving child care benefits moves out of the home; and (3) termination of employment, training, or education of any adult household member.

- In Arizona, the Family Assistance Administration controlled both TANF and food stamp policy. The state staff and local caseworkers reported that it would have been more difficult to implement and operate simplified reporting had it not also been extended to TANF.

Factors Contributing to Choice Not to Align Change Reporting Requirements. States that did not change the reporting requirements of other benefit programs to align with the reporting requirements of the FSP based their decision on concerns about increased cost and caseload in partially state-funded programs such as TANF and Medicaid, restrictions imposed by state law, a lack of collaboration among other programs, or other administrative hurdles. In particular:

- In Ohio, TANF policy staff considered extending simplified reporting to TANF and concluded that they could not do so because of caseload and fiscal concerns; the state has, however, limited the changes that an employed recipient must report for TANF regarding certain changes in employment status. The

Medicaid policy staff (lodged in a different division of the agency administering TANF) would not consider simplified reporting for Medicaid.

- In Missouri, it does not appear that decision makers considered the issue of modifying change reporting for TANF or Medicaid at the time that simplified reporting for food stamps was implemented.

- Arizona did not extend simplified reporting to Medicaid, which is handled by the same caseworker handling food stamps and TANF; for Medicaid, a family must report all changes promptly. While Medicaid is administered at the local level by the Department of Economic Security Family Assistance Administration caseworker, policy decisions for Medicaid rest with the Arizona Health Care Cost Containment System (AHCCCS), the Medicaid agency. The Family Assistance Administration tried unsuccessfully to persuade AHCCCS to align the change reporting requirements for Medicaid with the TANF and food stamp simplified reporting approach.

b. Aligning Renewal or Recertification Periods

A state can require review periods of different lengths for different benefit programs with no additional burdens on clients or caseworkers so long as the scheduling of reviews, when required, is synchronized. Typically, states try to synchronize reviews across jointly administered programs, even if some programs require reviews more frequently than others. For example, a state may review food stamps every 3 months and review Medicaid annually, but it would try to coordinate the Medicaid review with one of the food stamp recertifications, as Missouri did. In implementing simplified reporting, Arizona faced a policy environment that constrained the state's ability to synchronize or align recertifications fully across benefit programs.

Factors Contributing to Decision to Align Renewal or Recertification Periods. For the most part, states with aligned or synchronized renewals did not so much make a choice to align renewals but rather continued an existing policy of doing so. In particular:

- In Missouri, food stamps are recertified every 6 months, with the annual reviews of Medicaid and TANF completed at the same time. The only change was the lengthening of the food stamp certification periods, but synchronization represented a continuation of earlier procedures.

- In Ohio, TANF, family Medicaid and food stamps undergo review every six months through a joint review process. Under previous policy, the TANF review period followed the food stamp review so that families with earnings, who were assigned three-month certification periods for food stamps, also underwent TANF review every three months. When the state implemented simplified reporting, it continued to align TANF review periods with food stamps and set both at six-month reviews. When a family reports earnings during a certification period, the caseworker generally will place the family into simplified reporting and extend the food stamp review date by setting a new six-month certification period. The state decided also to extend the TANF review period at the same time so that the renewals would remain synchronized; this decision was based in part on the fact that the automated system could not handle several review dates for a single household.[12]

Factors Contributing to Decision Not to Align Renewal or Recertification Periods. Arizona did not align renewal or recertification periods of other benefit programs with the FSP's simplified program due to policy and fiscal decisions affecting those other programs. In particular, the policies (and, ultimately, state statute) governing the separate Medicaid agency in Arizona required 6-month reviews for Medicaid via in-person interviews, providing little flexibility for extending the review date. Thus, despite a 12-month food stamp certification period, clients also receiving Medicaid still had to visit the welfare office every 6 months for an in-person interview. State policies appeared to allow caseworkers to adjust renewal periods to coincide with the food stamp reviews, but they did not stress or require such actions. The lack of alignment with Medicaid review periods and interviews is one reason that Arizona has decided to switch to 6-month certification periods for food stamps in 2004. The state indicates that it expects the 6-month reviews to be aligned and synchronized. It has fully aligned TANF and food stamp review periods and interviews.

Table II.3 summarizes the factors contributing to state simplified reporting design decisions regarding the population covered, certification period, change response, and alignment with other programs.

B. IMPLEMENTING SIMPLIFIED REPORTING

To put simplified reporting into practice, state agency staff in the study sites typically took steps that included (1) making design and implementation decisions, (2) reprogramming agency computer systems, (3) creating new documents for communication with clients, and (4) training local staff in new policies and procedures. Below, we describe the study sites' approach to these important implementation activities.

The time required for the implementation of simplified reporting in the study sites ranged between approximately 6 and 18 months, from the point at which state staff began actively considering the option to the initial transition of cases to simplified reporting. Implementation took 9 months or less in 3 of the study states: Arizona, Louisiana, and Missouri. In Ohio, the process lasted longer, with most of the time spent on reaching a decision to go forward; thereafter, implementation took less than 6 months.

[12] Based on fiscal concerns, however, Ohio originally decided that, when the automated system acquires the capability to handle multiple renewal dates, the policy would change so as *not* to extend TANF review dates when food stamp certification periods are extended due to reported earnings. The state has not implemented this decision and will revisit the matter after the system changes are implemented to handle more than one review date. The TANF and food stamp renewal periods thus remain synchronized.

Table II.3. Factors Contributing to Simplified Reporting Policy Design Decisions

Policy Choice	Factors Contributing to Choice
Population Covered	
Earners and nonearners	Maximizes the impact of simplified reporting—the broader the population covered, the greater the reduction in workload and QC error rate, and the greater the improvement in client access. Reduces confusion at intake or when earnings are first reported.
Earners only	Expected small impact of expanding population in states where most nonearners already have certification periods of 6 months or longer. Implemented pre–Farm Bill, with earners-the only permissible population for simplified reporting at that time.
Certification Period	
12 months (with semiannual report)	Longest possible certification period maximizes the impact of simplified reporting on workload reduction, improves client access and QC protection due to less frequent renewals, and results in fewer face-to-face interviews. Periodic report designed and programmed under previous quarterly reporting system (Louisiana).
6 months (followed by recertification)	Difficulty/costs of implementing semiannual report. QC concerns due to fewer client appointments.
Change Response	
Positive-only changes (by regulation)	Administrative savings and QC protection from acting on fewer changes. Increases client access through true benefit freeze.
All changes (by waiver)	Systems programming challenges. Limiting complexity and workload increases in field.
Alignment with Other Programs	
Maximum alignment	Improves client access and reduces workload. Willing partners from other key programs.
Minimal alignment	Lack of collaboration from other programs or other administrative hurdles. State law restrictions. Concerns about increased cost and caseload in partially state-funded programs such as TANF and Medicaid.

1. Making Design and Implementation Decisions

Work groups comprising staff from various agency divisions were an important part of the decision-making process in Arizona, Louisiana, and Ohio. In these states, staff members responsible for policy, QC, systems, training, and field operations collaborated both to design simplified reporting policy and to plan its implementation. Arizona staff noted a new level of collaboration among divisions and reported that the approach for instituting simplified reporting could become a model for planning future policy changes. According to participants in the state's design and implementation process, the involvement of staff with varied expertise helped smooth rollout of the new policy. In Louisiana, where policy change work groups typically represent a range of expertise, staff echoed Arizona's sentiment, saying that a cooperative planning style limits miscommunication and improves final policy outcomes.

The role of local office staff in planning and implementing simplified reporting was more limited in Arizona and Missouri than in Louisiana and Ohio. In both Arizona and Missouri, the work group on simplified reporting policy did not include local staff. In retrospect, some administrators considered the exclusion of local staff an oversight, speculating that certain challenges with implementation (such as the cultural change discussed later) might have been anticipated if local staff had been involved in the planning process. Louisiana, in contrast, included local office administrators and line staff in work groups planning policy changes; Ohio included local office administrators.

2. Making Computer System Changes

The study states required a variety of systems-related changes as a prerequisite to implementing simplified reporting. Changes included the lengthening of certification periods, automating assignment to simplified reporting, adding indicators allowing workers to instruct the system to act on changes or not, automatically producing reminder notices for reporting between certifications, and inserting income reporting requirements into individualized notices. Not all tasks were necessary in each study site because of differences in system design and the extent of automation.

In general, study sites reported that system changes were a prominent concern in the implementation of simplified reporting but nonetheless proved to be manageable. Systems staff in Arizona noted that the programming required to implement simplified reporting was much less burdensome than that required for the Transitional Benefit Alternative. In Louisiana, delays in completing system changes led the state to postpone the implementation of simplified reporting by one month.

When Missouri first implemented simplified reporting, it had not yet transferred to an automated eligibility system; thus, the largely manual system required few significant changes. Missouri was in the midst of developing its automated system such that automation of simplified reporting was built into the new system as it was developed. While making adjustments for simplified reporting in the course of the development process entailed some additional effort, the adjustments were largely absorbed into the much larger systems project.

3. Creating New Documents for Client Communication

All four study states developed new documents to notify households of their simplified reporting obligations. Each state sends clients an award letter that specifies the dollar amount representing 130 percent of the federal poverty level for that household. In Louisiana, the reporting notice includes both the specific amount for the given household's size and a grid for all household sizes; the state concluded that including the additional information would provide greater QC protection. In Arizona, which extends simplified reporting to TANF, the award letter includes both the household's TANF and food stamp reporting triggers.

In addition to the award letter, Ohio developed an Earned Income Report form that explains in detail how to determine when household income exceeds 130 percent of the federal poverty level. Ohio also sends an automatically generated notice at the middle of the certification period reminding households to submit a report when their income exceeds 130 percent of the federal poverty level. State QC staff pushed for the detailed reporting explanation as well as for the mid-certification period reminder notice.

The study states with 12-month certification periods—Arizona and Louisiana—also created semiannual reporting forms for distribution to clients. The forms may be brief, as federal regulations require households to provide information on only 6 items: income, household composition, residence, vehicles (if not excluded), assets, and changes in child support obligations. Arizona's form, for example, was a single page of yes/no questions, with space provided for a client to explain responses, if needed. Both Arizona and Louisiana used a single semiannual reporting form for several programs: food stamps and TANF in Arizona; food stamps, TANF, and child care in Louisiana.

4. Training Local Office Staff

In all study sites, state staff assembled training materials to communicate simplified reporting policy and administration to local office staff. Materials typically included policy overviews aimed at local office administrators and more detailed descriptions of procedures for line staff. In Missouri, for example, state staff assembled a training package called "Take 45" (it was supposed to take only 45 minutes to complete). The package included an interactive compact disc that explained simplified reporting policy and led staff through a series of exercises and examples. Arizona also developed a detailed training package but divided the instruction into two phases conducted at different times. The first phase presented the broad outlines of the new policy and was intended to "prime" local staff for the change. The second phase offered specific instruction on how simplified reporting cases would be handled and included modules on topics such as exceptions to the positive-only rule and the processing of change reports.