

CHAPTER IV

SIMPLIFIED REPORTING FINDINGS

The simplified reporting option has allowed states to reduce staff workload, improve client access to the FSP, and reduce QC error rates. The aspect of simplified reporting policy that has most contributed toward achievement of the first two objectives is longer certification periods, which lead to less frequent renewals and fewer in-person interviews and in turn reduce staff workload and increase access for participants. These longer certification periods are one of the most visible and popular aspects of simplified reporting. The most significant factor in improving payment accuracy has been not counting unreported changes as QC errors.

Despite the benefits associated with simplified reporting, the option has given rise to some operational challenges in the study states. For example, reports of changes between certification periods have not declined significantly, and the need to respond only to positive changes (in nonwaiver states) has created frustration and confusion among the field staff we interviewed. The issues underlying these challenges include the lack of alignment of reporting requirements among various programs and difficulties in making the philosophic and cultural changes needed under simplified reporting.

This chapter examines how simplified reporting has reduced staff workload, improved client access to the FSP, and reduced QC error rates. We then discuss some of the operational challenges that have emerged in the study states and the underlying reasons for the challenges. We conclude the chapter with suggestions for addressing these concerns.

A. SIMPLIFIED REPORTING HAS REDUCED STAFF WORKLOAD, IMPROVED CLIENT ACCESS, AND REDUCED QC ERRORS

1. Simplified Reporting Has Reduced Staff Workload

Study states report that the largest and most significant gain from simplified reporting has been the reduction in staff workload. Field staff in all four study states enthusiastically embrace the workload benefits of the longer certification periods and, in Louisiana, fewer periodic report forms. Simplified reporting has reduced the workload of field staff in the following ways:

- ***Less Frequent Recertifications and Interviews.*** Given the longer certification periods under simplified reporting, caseworkers conduct less frequent redetermination interviews and spend less time scheduling and rescheduling interviews. The number of recertifications per food stamp participant covered under simplified reporting dropped from four times a year (under 3-month certifications) to twice a year (under 6-month certifications) or to once a year plus a semiannual report (under 12-month certifications).
- ***Fewer Reapplications Following Closures.*** Also due to simplified reporting's longer certification periods, caseworkers process fewer reapplications resulting from the closure of ongoing cases. Clients have fewer opportunities to fail to submit a periodic report form, to miss a recertification deadline, or to fail to submit needed verification within the required period and thus face case closure. Fewer actions that could result in case closures result in less frequent reapplications.
- ***Fewer Overissuances Established to Adjust Back Benefit Amounts Due to Unreported Changes.*** Caseworker workloads are further reduced under simplified reporting because staff prepare and process fewer overissuances upon the discovery of changes at recertification. Before the advent of simplified reporting, caseworkers had to write overissuances in order to adjust erroneously issued client benefits once they discovered that an unreported change had occurred during the certification period. Under simplified reporting, most changes identified at a recertification interview were not required to be reported during the certification period (unless they increased gross income to over 130 percent of the federal poverty level); thus, caseworkers do not have to establish overissuances.
- ***Fewer Periodic Report Forms (in Louisiana) to Process.*** In Louisiana, which changed its periodic reporting requirement from quarterly to semiannually, caseworkers have fewer report forms to process under simplified reporting (from 3 times per year under quarterly reporting to once per year under semiannual reporting) per food stamp participant.
- ***Easier to Process Semiannual Reports Than to Conduct Full Recertifications (in Arizona).*** In Arizona, which implemented semiannual reporting after requiring 3-month certifications, staff indicated that the required one recertification per year and one semiannual report added up to far less work than four recertifications. Staff say that, in general, processing semiannual reports is easier than and preferable to conducting full recertifications.

Workload Reduction Has Helped States Handle Rising Caseloads and Budget Cuts. Under simplified reporting, workload reductions for food stamp caseworkers have been especially important in the wake of recently rising caseloads and staff cuts associated with budget shortfalls. All four study states pointed to the importance of simplified reporting in helping them cope with caseload increases and staff reductions. After declining

during most of the 1990s, food stamp participation began increasing again in FY 2001. Nationwide, the average monthly number of food stamp participants increased by 25 percent between FY 2000 and FY 2003 and by much more in the study states; food stamp participation increased by 31 to 36 percent in 3 of the study states and by almost 90 percent in Arizona.¹ Study states reported that the caseload increases are attributable to (1) fewer jobs, fewer hours, or lower wage rates; (2) increased outreach via billboards, posters, and other means; (3) policies other than simplified reporting that have increased access; and (4), most recently, the effects of simplified reporting.

If not for the longer certification periods under simplified reporting, states reported that caseworkers would have been overwhelmed by the combination of caseload increases and staff shortages, particularly because agencies have been unable to add staff to handle the growing number of cases. In Ohio, for example, the monthly number of applications (including both applications and reapplication) per worker had declined from about 25 to 19 when simplified reporting was first implemented in 2002. However, field staff indicated that the number had increased again to between 22 and 27 monthly applications per worker during summer 2003 owing to caseload increases and staff decreases. In Louisiana, despite fewer terminated cases to be reopened under simplified reporting, the total number of food stamp applications did not decline but instead increased as a function of overall caseload growth.

Workload reductions as a consequence of simplified reporting have helped offset early retirements and other staff cuts in the study states. All study states reported that they have either lost staff through attrition or had to cut staff in response to budget cuts. In Arizona, the department that handles food stamps has had to decrease administrative expenditures by \$7 million since January 2003, leading to staff cuts of about 10 percent, or 300 positions.

2. Simplified Reporting Has Improved Client Access to the FSP

Study states also indicated that simplified reporting has improved client access to the FSP, largely by reducing the number of times that clients must recertify over the course of a year.

Simplified reporting has improved client access to the FSP in the following ways:

- ***Less Frequent Recertification Reviews.*** Another benefit of longer certification periods is that clients retain food stamps longer because they do not need to recertify as often. Longer certification periods are particularly helpful to working clients who may have trouble taking time off from work for recertification appointments and who often experience difficulty in juggling work and family responsibilities. The longer periods are also helpful to clients whose limited transportation options make it difficult to travel to the food stamp office. In focus groups conducted in study states, clients enthusiastically

¹ Special tabulations of FSPQC data for FY 2000 and FY 2003.

reported that less frequent recertifications made it much easier to participate in the FSP and retain benefits. Clients remarked that, with 3-month certification periods, they felt that it was time to start the recertification process over again as soon as they had completed one round of recertification reviews.

- ***Fewer Terminations Due to Incomplete Recertifications.*** Also because of the fewer recertifications under simplified reporting, clients are less likely to see their benefits terminated as a result of an incomplete recertification or failure to keep a recertification appointment. Accordingly, clients retain food stamps longer and receive a more stable income over a longer period.
- ***No Overissuance for Not Reporting Most Changes.*** Given that families do not have to report most changes between certification periods under simplified reporting (unless their gross income exceeds 130 percent of the federal poverty level), they do not receive overissuances for failing to report most changed circumstances. Despite little change in the number of changes that clients do report, there are no overissuances established for changes that are not reported and are not required to be reported.
- ***Less Frequent Periodic Report Forms for Clients in Louisiana.*** In Louisiana, which had used quarterly reporting before implementing semiannual reporting, clients submit fewer periodic reports each year, thus reducing the burden of retaining food stamps and reducing the likelihood that a client will see benefits terminated for not returning a periodic report form.
- ***Additional Time for Case Management or Coaching Activities May Help Clients Retain Food Stamps and Receive Additional Services.*** In Louisiana, staff workload reductions associated with fewer periodic reports under simplified reporting have allowed some caseworkers to spend more time helping applicants understand how to apply for and retain food stamps. Caseworkers also reported that they have more time to help clients with other case management activities such as learning about other programs that meet a wider array of needs.

3. Simplified Reporting Has Contributed to Caseload and Participation Rate Increases, Particularly for Working Families

Increasing access to the FSP by reducing the burden of retaining food stamps under simplified reporting has contributed to the increased participation of families and participation rates among those eligible; fewer families see their benefits terminated, cases remain open longer, and, in Louisiana, families have fewer opportunities not to submit a periodic report. All study states indicated that simplified reporting has increased or will increase caseload sizes and participation rates, particularly when the reporting option is broadened to most of the food stamp population. Although states do not have data to separate the contribution of simplified reporting from other factors such as increased

unemployment, increased outreach, and other policies, the study states believe that simplified reporting is indeed a factor in the caseload and participation rate increase.

Preliminary information from the two states that implemented simplified reporting for earners in 2001 (Louisiana and Missouri) appears to support the finding that the reporting option contributed to the increase in participation, particularly for working families in the FSP. Between FY 2001 and 2002, participation among working families with children increased by 22 and 30 percent, respectively, in Louisiana and Missouri compared with a 14 percent increase nationwide.² When FY 2003 data are available, they will permit more extensive comparisons. State participation rates among eligibles are not yet available for FY 2002, so it is still too early to examine the change in state rates.

Increased caseloads under simplified reporting can be expected to increase food stamp benefit costs, although the federal government rather than the states would cover these costs. While the study states did not have any quantitative information on the expected costs of simplified reporting, they indicated that, other than initial implementation costs (of designing the policy, conducting computer reprogramming, training, and developing new forms), overall cost savings attributable to workload reductions will allow them to handle higher caseloads with fewer resources.

4. Simplified Reporting Has Reduced QC Error Rates

Another objective of simplified reporting is to reduce, or at least not increase, QC error rates. After bringing down error rates under 3-month certification periods, some study state staff were concerned that the policy changes under simplified reporting, particularly the longer certification periods, might again increase error rates. However, staff in all study states indicated a decrease in their QC error rates under simplified reporting or at least no increase.

In Louisiana, which implemented simplified reporting for earners in 2001, staff have not been able to track the specific impact of the reporting option on error rates but believe that it has contributed to Louisiana's continued exceptionally low rate. Louisiana's error rate was unchanged between FY 2001 and FY 2002 (at 5.78 percent). In Missouri, which also implemented simplified reporting for earners in 2001 and expanded the option to the broadest possible population in 2002, the error rate declined in FY 2002 (from 10.21 to 9.77 percent) and then much more during FY 2003 (based on preliminary information from state staff, the FY 2003 error rate was down to 6.5 percent through July 2003). Missouri staff attribute much of the decline in the state's error rate to simplified reporting and, in particular, to expanding the option to the broadest possible population in February 2003 and acting on positive-only changes.

Both Arizona and Ohio implemented simplified reporting too recently (January 2003 and July 2002, respectively) to have developed any measure of the change in the QC error

² Special tabulations of FSP QC data for FY 2001 and FY 2002.

rate under the option, but both states indicated that simplified reporting has in fact contributed to reducing their rates. In Arizona, for example, QC staff conducted an informal analysis of the *potential* impact of simplified reporting on its error rate before implementing the option. QC staff examined the errors that were identified in cases pulled for QC review in FY 2001 and discovered that 69 of the 142 errors (50 percent) in FY 2001 would not have been errors under simplified reporting. Based on their analysis, they concluded that Arizona's FY 2001 error rate would have been almost 3 percentage points lower if simplified reporting policy had been in place.³

In Ohio, QC staff has tracked QC cases pulled for review that, because of simplified reporting, were not in error (or involved a smaller error) but would have been in error before the introduction of simplified reporting. Ohio's tracking exercise identified 6 cases, generally those involving failure to report a gain or loss of income that would have been in error without simplified reporting. The 6 cases not in error represent a reduction of two-thirds of a percentage point in the error rate from what it would have been absent simplified reporting.

Study states indicated that simplified reporting has helped reduce QC errors for the following reasons:

- ***No Error if Household Does Not Report Most Changes in Circumstances.*** Under the policies predating simplified reporting, if a household failed to report even a modest change in circumstances within 10 days, its food stamp benefit could be considered in error. Under simplified reporting, most changes in household circumstances and income that go unreported are not considered an error and thus do not count toward the state's QC error rate (unless the change caused the household's income to exceed 130 percent of the federal poverty level).
- ***Fewer Reported Changes Result in Less Exposure to Errors.*** If households report fewer changes, then there is less potential for a change to be processed incorrectly. According to USDA's Food Stamp Program QC Annual Report, about one-third of all QC errors occur after the most recent certification.⁴ Many such errors could be eliminated if households did not report changes between reviews. It is still too early to examine the change in the proportion of errors occurring between reviews under simplified reporting, but such information will help assess whether errors between certification periods have indeed declined.

³ QC staff acknowledge that, under simplified reporting, such analysis might not capture other types of errors, such as reported changes not acted upon properly.

⁴ Food Stamp Program Quality Control Annual Report. USDA, FNS, Program Accountability Division, QC Branch, April 2002.

- ***Reduced Workload for Field Staff May Result in Fewer Errors.*** With fewer change actions, recertifications, and reapplications after termination under simplified reporting (and fewer periodic reports under semiannual reporting than under quarterly reporting), caseworkers have more time to process all applications, recertifications, and changes that they receive. To the extent that caseloads increase, simplified reporting still allows staff to spend more time per interview than in the absence of simplified reporting.
- ***Acting on Fewer Changes (for States That Act On Positive-Only Changes) Means Less Exposure to Errors.*** To the extent that clients continue to report both positive and negative changes, states that act only on positive changes (and exceptions such as those affecting TANF or those considered as VUR) are exposed to fewer potential errors. Changes not acted on (and not supposed to be acted on) cannot be errors. Missouri attributes some of its lower QC error rate to the positive-only policy.

B. STATES FACE SOME OPERATIONAL CHALLENGES UNDER SIMPLIFIED REPORTING

Overall, the simplified reporting option has allowed states to reduce their administrative workloads significantly, improve client access, and lower state QC error rates. However, study states have faced some operational challenges under simplified reporting, which in turn have made it difficult for them to realize fully the option's simplification promise. These challenges are mostly associated with the operation of interim changes, that is, changes that occur between semiannual reports or recertifications. Underlying these challenges are the lack of alignment of change reporting policies among the various benefit programs and the incomplete cultural or philosophic shift among caseworkers that is required under simplified reporting.

- ***Clients Continuing to Report Many Interim Changes.*** Under simplified reporting, most changes do not need to be reported between reports or reviews. In fact, *not reporting* changes is the lynchpin of the simplification process. Some changes, however, must be reported—income over 130 percent of the federal poverty level—while some clients want to report other changes, such as loss of income. However, when relatively small changes that *are not required* to be reported are nonetheless reported, the staff workload, client access, and QC error rate protection benefits of simplified reporting are not fully realized. All four study states have faced challenges in limiting interim change reporting by households under simplified reporting. The more stringent change reporting requirements in other programs essentially undermine this central component of simplification—*not* reporting the change. In addition, changing the culture for clients and caseworkers from one that has emphasized reporting of all changes to one of very limited reporting will necessarily take time, but all states agree that they underestimated the extent of the culture change involved.
- ***Complexity of Acting Or Not Acting on Changes Under the Positive-Only Approach.*** A premise of simplified reporting is generally to ignore, or not act

on, interim changes (other than income over 130 percent of the federal poverty level) unless the change would increase food stamps or meets an exception to the positive-only rule. In theory, such an approach reduces staff workload and provides QC protection for the simple reason that unreported changes are not considered errors. In practice, however, the complexity of determining whether a negative change should be acted on anyway has added to complexity and caseworker frustration. Field staff indicate that workload is not decreased; determining whether to act on a known interim change is no less work in positive-only states than acting on all changes. Staff have expressed concern that they may be making QC errors owing to the complexity of the decision making involved in determining when to act or not act on a change. In both Arizona and Missouri, field staff dislike the positive-only approach both philosophically and operationally. The office culture has not accepted the concept of either generally freezing benefits even if circumstances change or ignoring a known change. The legacy of the heavy emphasis on accuracy and acting on all changes has impeded acceptance of the simplified reporting and freeze concepts.

- ***Simplified Reporting Goals Undermined in Waiver States.*** Most of the states implementing simplified reporting including two of the study states (Louisiana and Ohio), have chosen to do so with a waiver of the positive-only rule and instead act on all known interim changes. While, among the four study states, local office staff in the waiver states generally are more comfortable with simplified reporting than staff in the other states, the states lose many of the potential benefits of simplification. With staff acting on all changes, the staff workload and client access goals are undermined. Given that action is always required, waiver states have greater QC exposure if the worker fails to act on a change. In these states, simplified reporting is largely a device for longer certification periods with QC protection for changes that go unreported.

1. Lack of Alignment of Change Reporting Requirements in Other Programs

A significant underlying cause of the operational challenges faced by the study states is the lack of alignment of change reporting requirements with other benefits received by families. Most families receiving food stamps also participate in other state-administered programs such as Medicaid, TANF, and child care. About 85 percent of children who received food stamps in 2002 also received Medicaid, and about 38 percent of food stamp households with children received TANF.

With the exception of Louisiana (and to lesser extent Arizona), study states have continued to require the reporting of all or most changes in household circumstances for Medicaid, TANF, and child care. Hence, for families participating in several programs, the stricter reporting requirements for other programs often undermine the simplified reporting requirements for food stamps. Clearly, with the exception of the FSP, the dominant change reporting message delivered by caseworkers and received by clients is to report all changes. To the extent that clients continue to report changes between certification periods or semiannual reports, the simplified reporting option does not reduce the burden on both

caseworkers and clients to report or process changes, with the result that states do not fully realize reduced exposure to QC errors.

Even in states that act only on positive-only changes, interim changes can lead to increased complexity as well as to reduced or cbsed food stamps because of other programs' change reporting policies. In Arizona and Missouri, a great deal of the complexity of whether to act on a change is related to whether information that is reported for another benefit program meets an exception to the positive-only rule. If the change is acted on in TANF, it is acted on in food stamps. Moreover, in some states, the process of verifying the change as a prerequisite to acting on it for another benefit program such as Medicaid can cause the change to become VUR and thus acted on in food stamps. This occurred under Arizona's approach to VUR but would not occur under Missouri's approach. In Missouri, a change is VUR only if it is received directly from the source of the information, such as the Social Security Administration.

Among the study states, Louisiana is the notable exception to not aligning reporting requirements. Louisiana has aligned the reporting requirements for food stamps, TANF, and child care and requires only the reporting of an interim change in income—over 130 percent of the federal poverty level.⁵ Unique to Louisiana, the state administers Medicaid through an agency that generally does not interact with other programs.⁶

Louisiana stood out from the other states as the state whose line staff most enthusiastically embraced simplified reporting. Nonetheless, despite its simpler and clearly aligned message as to when changes need to be reported, the state has yet to realize the full benefits of the simplified reporting option; some clients still report more changes than required. Staff note that the long-term emphasis on the interim reporting of changes has made it difficult to change client behavior. And because Louisiana operates with a waiver to act on all changes, staff act on changes as they are reported.

Although Louisiana aligned TANF change reporting requirements under the simplified reporting options, the state continued to require TANF recipients to report wages monthly to demonstrate participation in TANF work activities. In an attempt to avoid the need to act on changes, the state subsequently implemented an alternative approach to obtaining the information it needs for tracking TANF work participation. The state asks TANF recipients to report *hours* rather than wages each month so that it does not learn of (and thus need not act on) income changes.

⁵ Those receiving child care assistance are also required to report (1) a change in child care provider and (as added subsequent to our site visit) (2) if a child receiving child care benefits moves out of the home or (3) if any parent or adult household member is no longer employed or participating in education or training.

⁶ While Louisiana clients not receiving TANF face the burden of separately renewing and reporting Medicaid changes elsewhere, the Medicaid reporting requirement does not interfere with simplified reporting as it did in the 3 other states. In Louisiana, TANF recipients are automatically enrolled in Medicaid by virtue of their TANF status without a separate application required by the Medicaid agency and are not required to report changes separately for Medicaid.

Louisiana's staff expect that, given the reporting alignment already in place, an increase in the length and breadth of simplified reporting implementation will decrease the number of change reports over time. While the field staff has yet to notice a significant reduction in change reports, the reason may be that simplified reporting covered a smaller population of benefit recipients through July 2003 (earners only). The state also notes that it needs to focus more sharply on emphasizing the *limited* changes that need to be reported. Some caseworkers indicate that they interrupt clients when they start to report a small change unnecessarily. After it has expanded simplified reporting to the broader population for some time, the state expects that the consistent message of reduced reporting requirements across all 3 programs will likely result in fewer changes reported. It is desirable for clients to report some interim changes, such as a large drop in income, in order to receive increased food stamp benefits immediately. But many changes are relatively small and do not need to be reported until the next recertification or semiannual report.

Arizona succeeded in extending simplified reporting to TANF, but the simplification was significantly undercut because the state did not extend the reporting option to Medicaid, even though the same caseworker handles TANF and Medicaid benefits. Thus, the dynamic described in Chapter III—changes reported for Medicaid and, when verified, providing a basis for acting in food stamps—persisted. Interestingly, Arizona's family Medicaid program has a relatively high income cut-off—100 percent of the federal poverty level—and many or most of the reported changes did not affect Medicaid eligibility but nonetheless led to complexity and sometimes action in food stamps.⁷ In sum, Arizona's alignment of reporting requirements in TANF and food stamps helps simplify administration and reduces staff workload between those two programs while the requirement that families report all changes under Medicaid undermines these goals.

Even though extending simplified reporting across programs is desirable to ease further the workload and participation burden of staff and clients, comprehensive use of simplified reporting across programs has proven difficult. For instance:

- Policy staff for other benefit programs often work in different agencies or divisions and have different priorities and incentives.
- When policy staff do not work together closely or do not coordinate across programs, policies sometimes undergo development without consideration of the implications for (or to) other programs.
- States are often reluctant to make changes in policies that they fear may increase TANF or Medicaid benefit costs or caseloads, particularly in the current climate of budget and staff cuts.

⁷ Arizona is somewhat unusual in relying on a different funding source for higher-income Medicaid families than for those at TANF income levels; as a result, the state funding source is affected by fluctuations in family income even as the fluctuations do not make the family ineligible for benefits.

2. Incomplete Culture and Philosophic Shift Under Simplified Reporting

In addition to the operational challenges that have arisen with the implementation of simplified reporting, we observed cultural and philosophic challenges. The culture shift from an emphasis on the timely reporting of all changes to placing a limit on the changes that need to be reported has not yet been successfully completed. In addition, caseworkers in states that follow federal rules have yet to accept the concept of not acting on some known changes that would adversely affect food stamp benefits.

a. Culture Shift for Caseworkers

Recent years have seen a heavy emphasis on improving food stamp accuracy and avoiding QC errors. The depth and intensity of such a focus have permeated all aspects of daily work activities. As one worker put it the message from caseworkers to clients was “report, report, report.” And the message delivered to caseworkers was “act on all changes and improve accuracy.”

Now, under simplified reporting, caseworkers find themselves operating in an entirely different landscape—one that they do not trust and often do not readily accept. They are told that clients generally need not report changes and that, when changes are known, they often must not act on the changes. For the most part and with the exception of Louisiana, caseworkers have responded negatively to the concept of the 6-month freeze on food stamp benefits that is permissible under simplified reporting. Some caseworkers voiced concern that the “freeze” was not good for clients because they would face a sharper drop in food stamps at the 6-month point. Several caseworkers noted the inequities that resulted when families with similar changes might have different food stamp consequences because of differences in other benefits they receive or because of how they communicate the change information to their caseworker.

Several states noted that they had underestimated how dramatic a culture change would be necessitated by simplified reporting and how long it would take caseworkers to accept that change. State and local staff in one state labeled the change “huge.” In the states that acted on positive-only changes, the complexity of determining compliance with the exception to the positive-only rule increased the burden of processing changes and confused and frustrated staff. The culture change and the extent of negative staff reaction were dramatically greater in states that followed the federal rules (Arizona and Missouri) than in states that had received a waiver (Ohio and Louisiana). In Ohio, caseworkers undergoing training initially reacted strongly and negatively to the freeze concept of simplified reporting but then liked the concept in operation. They found that, despite the concept of a benefit freeze, they generally were learning about and acting on changes because of reports in other benefit programs and the waiver requirement to act on all changes.

Some caseworkers talked about clients “getting away with” receiving more benefits than they were “entitled” to; the terminology itself reflects a lack of acceptance of the correct amount of benefits calculated for a recipient. Not being able to reduce benefits in response to known changes in positive-only states caused the greatest frustration among caseworkers. As one caseworker intoned repeatedly during our site visits, the simpler and more sensible

policy should be that when “income goes up, benefits go down, income goes down, benefits go up.” At times, caseworkers expressed concern about “fraud” and potential overpayments because clients were receiving more than they should (even when the amount was correct under simplified reporting). Some caseworkers volunteered examples of outcomes to which they objected, such as households whose members had left the home but that were still receiving the same food stamp benefit. Changes in household composition that would result in a lower benefit if acted upon, but that could not be acted upon in most cases under the positive-only policy, caused the greatest discomfort and frustration among field staff in Missouri. Several caseworkers also mentioned state and federal budget concerns and questioned whether taxpayers’ money should be spent in the manner provided under simplified reporting. In one state, some caseworkers had contacted a state legislator to complain about the outcomes under simplified reporting.

In contrast, caseworkers in Louisiana accepted and embraced the concept of a freeze and its limited reporting obligations. In fact, they recommended elimination of the remaining reporting requirement—income exceeding 130 percent of the federal poverty level. State officials noted that they had already bridged the culture change when the state moved to quarterly reporting for food stamps some time earlier. (Louisiana was the only study state that had moved to simplified reporting from quarterly reporting.) Interestingly, caseworkers in Arizona also embraced the concept of a freeze of the food stamp amount in the context of their Transitional Benefit Alternative extension, regarding it as a useful work support and an extra incentive to be offered to clients. But the same attitude did not carry over to the freeze under simplified reporting, as discussed in Chapter V.

Staff often did not believe that a QC error would not occur if they did not act on the change. In Ohio, a QC person attended the training sessions, largely to reassure the staff that the changes would not represent errors. Some state staff suggested that caseworkers would more likely accept simplified reporting when they saw its successful QC impacts. Some veteran caseworkers, who had weathered many changes, were wary of how long this particular change would last.

Despite the difficulties in changing the culture around the limited reporting of changes between reviews, caseworkers embraced the simplified reporting option’s workload benefits: the longer certification periods or less frequent reports. Not surprisingly, the caseworkers more readily accepted the aspects of simplified reporting that made their jobs easier than those aspects that they perceived as complicating their jobs. In Arizona, we visited a local office whose service delivery structure resulted in one group of caseworkers (the application/recertification unit) benefiting from the switch from 3-month to annual recertifications while another group of caseworkers (the change unit) had to assume the burden of processing semiannual reports and determining when to act or not act on changes. Needless to say, the change unit caseworkers expressed the greater displeasure with simplified reporting.

b. Client Reaction to Simplified Reporting

Simplified reporting has not led to changed client behavior with respect to reporting changes to an extent commensurate with the changed reporting requirements themselves. In all four study states, caseworkers noted that clients who generally reported changes continued to do so.

Several reasons suggest why food stamp recipients do not seem to have significantly changed their reporting behavior:

- Clients must report changes for other programs such as Medicaid and, in some instances, for TANF.
- The primary message received by clients was to continue to report all changes (which is the accurate message in most of the states when a household also receives Medicaid). As delivered, the message about 130 percent of the federal poverty level confuses clients and appears not to be understood
- Clients continued to report all changes anyway, just to be safe.
- For both clients and caseworkers, the earlier emphasis on always reporting changes requires a dramatic culture shift if simplified reporting is to succeed in meeting its goals.

Interestingly, even in Louisiana—where clients receiving TANF and child care as well as food stamps through the local welfare office were not required to report *any* changes other than income over 130 percent of the federal poverty level and some changes affecting child care—caseworkers noted that many clients still continued to report changes. Louisiana staff observed that they needed to continue to work to communicate the message of limited reporting of changes.

In the two study states where we conducted focus groups, clients did not appear to understand the limited reporting requirements under simplified reporting. To be sure, they noticed the benefit of the longer certification periods or less frequent reports. Several clients recognized that some changes would not affect food stamps but still did not understand that they did not need to report the changes.

3. Other Minor Operational Challenges Faced by States

The study states have faced several other minor operational challenges under simplified reporting.

- ***Case Closures Due to Failure to Submit Semiannual Reports.*** In Arizona and Louisiana, both with 12-month certifications and semiannual reports, field staff reported that clients do not always return semiannual forms by the deadline or at all. Clients must therefore reapply for food stamps by submitting a full

application, undermining the staff workload and client burden reductions of 12-month certifications. In Arizona, which requires Medicaid reviews every 6 months, staff perceived that some clients did not understand the need to send in the semiannual report for food stamps because they had just visited the office for a Medicaid review.

- ***Case Closures Due to Use of the Formal Request for Contact.***⁸ In Ohio and Arizona, caseworkers use the formal Request for Contact form when needed to verify a change. As discussed in Chapter III, use of this approach can lead to, first, case closure if the client fails to respond and then to a reapplication, which would unnecessarily increase the caseworker workload and client burden. In Missouri, caseworkers simply ask for verification via an informal letter or telephone call. As discussed in FNS guidance, in the instance of a more informal request, the caseworker does not close the case if the client does not respond. The benefit level simply remains unchanged. In Louisiana, caseworkers differed on how they handle unverified change reports.
- ***Increased Office Visits Necessary When Benefit Renewals are Not Synchronized.*** Three of the four study states implemented policies aimed at coordinating or synchronizing reviews across programs in order to reduce both the staff burden of duplicating the renewal process and the client burden of visiting the office. In Arizona, however, even though the food stamp recertification period is 12 months, families receiving Medicaid benefits must visit the office for an in-person interview every 6 months, thereby undermining the potential of reduced burden on staff and clients. We observed that the annual food stamp interview is not always synchronized with the two Medicaid interviews, leading in some instances to 3 separate interviews. Arizona has since taken steps to change its food stamp certification period to 6 months under simplified reporting in order to align with the Medicaid renewal period.

C. SUGGESTIONS FOR ADDRESSING THE CHALLENGES OF SIMPLIFIED REPORTING

Overcoming the operational challenges faced by local office staff will allow states to meet more fully the objectives of simplified reporting. Below are some suggestions based on input from state and local staff and site visit observations that may help states overcome these operational challenges.

- ***Coordinate More Closely With Other State-Administered Programs to Increase Alignment of Reporting Requirements Across Programs.*** Improved coordination and alignment of reporting requirements among programs is a crucial step toward reducing the number of interim change

⁸ Although this issue is not unique to simplified reporting, it nonetheless undermines the potential work reduction benefits of acting on positive-only changes and was addressed in FNS Q&As under simplified reporting policy (Q&As, second set).

reports. Reducing the reporting of interim changes will reduce the burden of making and processing changes and further reduce QC errors under simplified reporting.⁹ One first step might be to examine the opportunities and implications for the FSP and other programs of increased alignment of reporting requirements.

- ***Increase Client Education to Help Clients Better Understand the Simplified Reporting Rules and Thus Report Fewer Changes.*** Particularly when combined with increased coordination with other programs, increased client education about limited reporting requirements may also help reduce the number of changes reported. Increased client education about the need to return semiannual reports on time may also help increase the rate at which reports are returned and reduce the incidence of closures and reapplication.
- ***Expand Staff Training to Help Field Staff More Fully Understand the Rationale Behind the Benefit Freeze Concept and Reduced Reporting Requirements.*** A better understanding of the potential benefits of the simplified reporting freeze concept for staff workload, client access, and QC error rates may help staff more fully accept the major cultural and philosophic shift required for successfully implementing the option. One strategy could be to provide caseworkers with briefs on the advantages of simplified reporting or to highlight such advantages in training materials and sessions, with examples from other states.
- ***Provide More Guidance on When to Act on Negative Changes in States with Positive-Only Reporting.*** Simplifying the rules and providing clear and continuous guidance on when to act or not act on changes may be helpful to staff frustrated by the positive-only policy. In addition, states can use a narrow interpretation of when a change is verified upon receipt to reduce the changes that are acted on. The guidance might include an online help system with actual examples of typical as well as unusual situations, or more formal training for supervisors who can then assist caseworkers. Improved understanding of when to act on changes would help reduce workload, increase staff morale, and reduce QC errors.

Implementing initiatives such as increased training, client education, and coordination of reporting and other requirements among programs is an important step toward overcoming the operational challenges that have emerged under simplified reporting.

⁹ The Center on Budget and Policy Priorities (CBPP) just released a report that highlights options for states to improve program integration, including alignment of reporting requirements. CBPP is also preparing a guidebook for states interested in improving alignment and program integration. The CBPP report can be found at <http://www.cbpp.org/1-6-04wel.htm>.