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Re-engineering the Welfare System— A Study of Administrative Changes to the Food Stamp Program

Final Report

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Abstract

All States in a recent study undertook at least one “re-engineering” activity in their Food Stamp Programs (FSPs) as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). In addition, 35 States implemented changes in 3 or more re-engineering categories, while 24 States planned changes for fiscal year (FY) 2000 in 2 or more categories. PRWORA dramatically changed the systems that provide cash assistance and food stamps to low-income Americans. Along with mandatory changes in food stamp eligibility, States were given greater flexibility to administer their programs to meet their unique needs. While States had begun changing the way program services were delivered before passage of welfare reform legislation, PRWORA provided additional opportunities for them to “re-engineer” FSPs. The purpose of the study was to examine State-level administrative changes to FSPs as a result of PRWORA, both those made before FY 2000 and those planned for FY 2000. This report provides the study results. For the State data collection instrument, see *Re-engineering the Welfare System—A Study of Administrative Changes to the Food Stamp Program: State Data Collection Instrument* at <http://www.ers.usda.gov/publications/efan01009>.

Keywords: PRWORA, service delivery, structure, casework, accessibility, client tracking, monitoring, conforming

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Executive Summary

All States in a recent study undertook at least one “re-engineering” activity in their Food Stamp Programs (FSPs) as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). In addition, 35 States implemented changes in 3 or more re-engineering categories, while 24 States planned changes for FY 2000 in 2 or more categories. PRWORA dramatically changed the systems that provide cash assistance and food stamps to low-income Americans. Along with mandatory changes in food stamp eligibility, States were given greater flexibility to administer their programs to meet their unique needs. While States had begun changing the way program services were delivered before passage of welfare reform legislation, PRWORA provided additional opportunities for them to “re-engineer” FSPs. The purpose of the study was to examine State-level administrative changes to FSPs as a result of PRWORA, both those made before fiscal year (FY) 2000 and those planned for FY 2000.

To facilitate analysis of the broad array of State FSP re-engineering changes, the information gathered for this study was categorized into six subject areas, as follows:

1. Changes in State organizational structure;
2. Changes in the role of the caseworker;
3. Efforts to improve program accessibility and client certification;
4. Changes in client tracking and accountability systems;
5. Attempts to conform the FSP and TANF program rules; and
6. Efforts to increase program monitoring and evaluation.

The major research questions driving the study were:

- To what extent have States implemented administrative or operational changes to their FSPs from the passage of PRWORA through FY 1999?
- To what extent were States planning to make changes to their FSP administrative practices or program operations during FY 2000?
- What were the primary motivating factors identified by States for making administrative and operational changes to their FSPs, and to what extent did the re-engineering efforts require the approval of different branches of government?
- How did efforts to re-engineer FSPs vary between States with county-administered programs and those who administer their FSPs at the State level?

Overview of the Study Methodology and Organization of the Final Report

A total of 49 States and the District of Columbia agreed to participate in the study. Data were collected from States by a three-step process. First, States were asked to provide documents that contained descriptions of their re-engineering efforts, such as budget proposals, strategic planning documents, and legislative initiatives. A total of 24 States were able to provide these documents, and data for each of the 6 re-engineering categories were abstracted from them. Second, all States in the study participated in a followup telephone survey, either to clar-

ify data in the descriptive documents or to provide data not available through written sources. Finally, a series of six case studies was conducted to examine local implementation of re-engineering efforts. This report presents the findings from the data abstraction process and the followup survey.

The report is organized into two sections. Section I is divided into four chapters. Chapter I provides an overview of the study and discusses the methodology used for data collection and analysis. Findings from the study are organized into chapters II and III, with chapter II providing “the big picture” of State re-engineering efforts and chapter III examining findings within each of the six categories of re-engineering change. Chapter IV provides a summary of key findings and implications for future research. Section II presents data from the case study reports. The data collection instrument, *Re-engineering the Welfare System—A Study of Administrative Changes to the Food Stamp Program: State Data Collection Instrument*, can be found at <http://www.ers.usda.gov/publications/efan01009>.

Summary of Key Findings on State Re-engineering Efforts

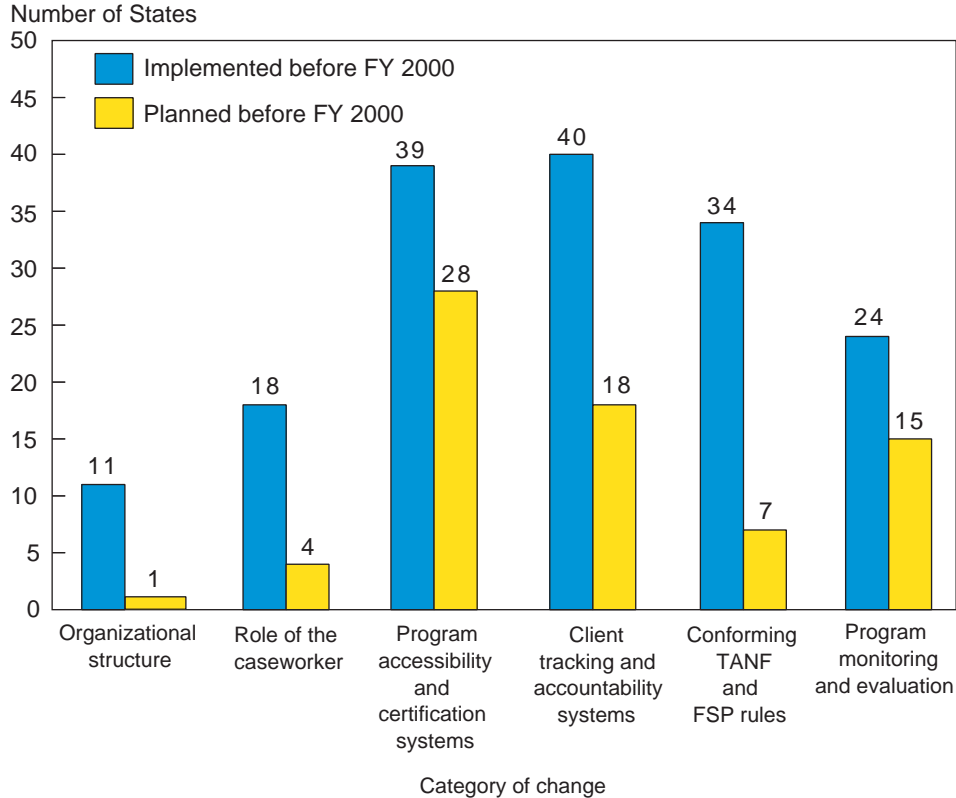
All the States included in the study undertook at least one re-engineering activity as a result of PRWORA, with many States implementing and planning re-engineering efforts in more than one category. Thirty-five States implemented changes in 3 or more re-engineering categories, while 24 States planned changes for FY 2000 in 2 or more categories. The figure on page viii displays the number of States planning and implementing re-engineering changes as a result of PRWORA, by categories of the changes. (Some States reported changes in more than one category.)

Because State FSP agencies are likely to have limited resources, activities in multiple re-engineering categories might not be expected. The fact that 35 States (70 percent) implemented activities falling into 3 or more categories shows the importance of FSP re-engineering to State program administrators.

Additional key findings are that:

- A significant effort was focused on improving access to the FSP. Thirty-nine of the 50 States (78 percent) implemented changes to improve program accessibility. In addition, 28 States planned to implement changes in FY 2000. This may be related to the fact that States have become concerned about the decline of FSP caseloads since welfare reform.
- With the opportunity to bring FSPs into conformity with TANF programs, it was expected that States would take steps to consolidate program functions by changing their organizational structures. Thirty-four States (68 percent) took steps to conform TANF and FSP rules, and 11 States reported changing their organizational structures. However, only three cited conforming TANF and FSP as the goal of their organizational changes. It would appear that PRWORA had a modest impact on changing organizational structures of FSP offices.
- Twenty-four States implemented increased program monitoring and evaluation, while 15 States planned to implement some form of monitoring and evaluation in FY 2000. FSP client participation rates were the primary focus of

Number of States planning and implementing re-engineering efforts by category of change



increased monitoring, followed by tracking and evaluating FSP client satisfaction with program services and efforts to improve program accessibility.

- County-administered States (those in which FSP administration has been devolved to the county) were expected to show less re-engineering activity at the State level—the level of this study—than those whose FSPs were State-administered, since it was assumed that re-engineering efforts by the former would be at the county level. In fact, 87 percent of county-administered States undertook changes in three or more re-engineering categories, as compared with 67 percent of the State-administered States. In addition, almost all (92 percent) of the county-administered States undertook changes to improve program accessibility.

Data from this study provide a thorough overview of the administrative and operational changes States have made or were planning to make to their FSPs in response to welfare reform. These data provide baseline information about program changes that can be used for future evaluations of the consequences of re-engineering efforts. In addition, this report can be used by State FSP administrators planning changes in a particular category to help generate ideas about approaches that may work for their State.