USDA United States Department of Agriculture
Food and Nutrition Service

Simplified Reporting -- Conversations with States

The following document contains policy statements that were correct at the time that these conversations occurred. However, some policies have changed over the intervening years.

1 Introduction

Background

In early 2001, simplified reporting (SR) became the latest in the reporting systems that states could use for households with earnings. Simplified reporting offered states and clients four benefits:

- For clients, greater stability and
- Reduced reporting and recertification requirements
- For states, less work by giving clients fewer time-consuming recertifications (one every six months or longer), and
- Protection from the errors that may come with longer certification periods.

The Farm Bill took SR two steps further:

- States could put almost all households into simplified reporting (with or without earnings)
- States could use simplified reporting for shorter certification periods (as short as four months).

After two years, about half the states have taken up simplified reporting. Many other states expressed interest in SR. So two questions arose:

- What could state agencies and FNS say to states that had not implemented simplified reporting, to get them to consider it?
- What information would be helpful to states that are considering simplified reporting, to make their implementation easier?

Basic Requirements of SR Today

- Certification period of at least four months
- Households must report:
    - o When total income rises above the gross income limit (130% of poverty)
    - o When an ABAWD's work hours drop below 20 per week
- If certified longer than six months, the household must file an interim report at the sixth month
- Available to all households except those without earnings whose adult members are all elderly or disabled.

The Phone Calls

When you want to know how to implement a policy, ask the states. So we did.

States volunteered to share their experiences. Not all were contacted, because of lack of time and a desire to get an assortment of states, including:

- States that had been running simplified reporting for a while
- States that had just started and were still experiencing the pangs of implementation
- And one state that was ready to implement.

States received a list of questions in advance but the telephone conversations were not a review of the questions. Rather, they were conversations that often dwelt on a particular topic, or veered off into another area that was not on the list.

The Center for Budget and Policy Priorities (CBPP) was engaged in a similar activity, a series of conference calls with APHSA, states, FNS, and other parties about critical issues in the Farm Bill. The first of those conference calls concerned simplified reporting.

What follows is a summary of those individual calls and the CBPP conference call, arranged by topic areas.

2 Why did you adopt simplified reporting?

States' most common concern was the payment error rate. Simplified reporting significantly reduces clients' requirement to report changes, thereby eliminating many client-caused errors.

The states fell into two groups:

- States with high error rates that felt that they had to do something
- States with acceptable error rates that will adopt any method that they think will avoid errors.

An interesting aspect of this reason for adopting simplified reporting is that SR came along just as caseloads began to rise and local office staffing began to fall. So for some states, SR is seen as a way to cope effectively with resource issues.

The other major state concern was access to the Program's benefits. It was thought that one barrier to access was the very short (three-month) certification periods that FNS had encouraged and that many states had adopted. Short certification periods may have affected participation in two ways:

- The sheer hassle of filling out forms and attending interviews every three months
- For working households, the need to take off from work to reapply.

States saw SR as a way to cut the frequency of reapplication at least in half and to make it easier for working families to reapply. A couple of states mentioned that SR was a part of a broader effort to improve access, an effort that includes evening and weekend office hours.

3 How have people in local food stamp offices reacted to simplified reporting?

For some eligibility technicians, there was culture shock. After all, in one form or another, the Food Stamp Program has operated for almost forty years requiring clients to report changes in their circumstances as they happen. While this has taken many forms over the decades, there has always been some rigorous reporting requirement.

Accompanying this was a frequently reinforced instruction to process all information that a household might report. Every time a household would report a change, the eligibility technician would have to be sure the change went into effect. Under simplified reporting, it is not so simple.

But SR removes reporting requirements for most households for six months. So a household's August allotment could really be based on its circumstances as long ago as January. /1 Food stamp certification has traditionally required an exact relationship between a month's allotment and the net income in that month or a recent month. This change was a culture shock for many eligibility technicians.

Some states also mentioned that many eligibility technicians did not trust the new system. When quality control finds an allotment in error, some states attribute the error to the eligibility technician, either officially or informally. So there was deep concern that these local office workers would somehow be held liable for changes that households did not report.

On the other hand, many of them saw simplified reporting as a rescue from difficult staffing situations. In some states simplified reporting came into effect as staffing decreased, so the reduced paperwork helped the eligibility technicians cope with their increased workload.

Other local office workers mentioned that their relationships with clients improved since the clients no longer had to make frequent visits to the local offices.

4 How have clients reacted to simplified reporting?

In general, the clients who expressed opinions appreciated fewer reapplications.

None of the states had any detailed information about whether simplified reporting had an effect on access or participation rates.

5 What were the costs of moving to simplified reporting?

Computers

Computer reprogramming was a significant cost in some states, but not in others. From some remarks, it seems that the more complicated and integrated computer systems are the more difficult to reprogram.

Reprogramming is also complicated when food stamps moves to simplified reporting and the other welfare programs do not.

- Some computer systems, for example, would hold a dollar figure for earned income for all programs, and then manipulate that dollar figure differently for food stamps, TANF, child care, and other programs. Adapting this system to simplified reporting can be complicated.

- Other computer systems, for example, hold separate figures for separate programs. This system seems to be more amenable to adaptation.

Training

There were two interesting points made about training.

First, all the states said that it was vital to train the local office staff in the new procedures of simplified reporting. Just because the reporting is simplified does not mean that the eligibility technician’s task is simple. This is particularly true in states that do not process all changes that would reduce food stamp allotments.
The local office staff in these states need to know which changes to make and which changes to pend. This was a significant change.

The second point concerned states that require an interim report around the sixth month of a twelve-month certification period. It was suggested that there be a second training effort right before the first batch of interim reports would go out to the clients. The staff of the local office need to be reminded of the procedures for:

- Dealing with complete reports

- Reacting to incomplete reports

- Notifying households that never submit the information that is needed to go on receiving food stamps after the sixth month.

There were necessary revisions to operating manuals, notices to clients, and forms for some of the households to complete. No state identified these costs as significant.

6 What were the benefits of moving to simplified reporting?

Payment Error Rates

None of the states had specific information about the effect of simplified reporting on payment error rates. An intelligent judgment in this area requires some time and a large number of cases.

Further, the ordinary quality control review would not be conducive to gathering the necessary information. If the error rate drops, it means that errors are smaller and more cases are correct. Since quality control gathers less information about correct cases than about incorrect ones, it takes a special effort to find correct cases that would have been erroneous under another reporting system (or to find erroneous cases that would have had different errors under another reporting system).

One state, Ohio, is gathering information that will help make state and local officials answer questions about SR's effect on the payment error rate.

In the absence of firm statistical information, there was a general consensus that simplified reporting would help the payment error rates by reducing the incidence of clients' failure to report.

Workload

No state had any doubt that ongoing workload declined, per case. Since three-month certification periods were common among the states, recertifications went from four a year to one or two (depending upon a state's use of the six-month interim report).

Access

As with the payment error rates, no state had reliable information about access. Upcoming access reviews should help states and FNS understand any effect SR might be having on actual and potential clients.

7 Other Programs

Given the flexibility of TANF, simplified reporting could probably work as well there as in Food Stamps. So why haven't more states adopted SR in TANF? Money. There is no doubt that SR costs money. FNS was only able to extend SR to non-earners when Congress approved the additional money that it would cost.

8 What went into setting the length of the certification period?

By law, the certification period must be at least 4 months long. And by law, the certification period must be no longer than 12 months. /2 If the certification period exceeds 6 months, the state must obtain an interim report from every SR household around the 6-month point.

So the state must either:

- Set the certification period at a maximum of 6 months, or

- Get that interim report.

The issue, as the states explained it, was whether the difficulty of mailing, tracking, receiving and processing the interim report exceeded the savings of fewer recertifications.

Different states evaluated the issue differently, depending largely on the extent of computer reprogramming.

9 Voluntary Reports

Although households are required to report two kinds of changes in SR, any household can report anything during its certification period. It would be interesting to know how often households voluntarily report. It would also be interesting to know whether households more commonly report just those changes that would raise their allotments. It would be interesting to know these things, but nobody seems to know.

States agreed that some households do voluntarily report changes, but they have measured neither the incidence of these reports nor the types of changes that ensue.

10 Issues of Implementation

Advance Planning

There seemed to be two courses of action, dependent largely upon each state's payment error rate at the time.

States with higher payment error rates thought that they needed a quick fix and adopted simplified reporting as quickly as possible. This meant:

- Less consultation with local offices

- Less examination of the "what if" issues that accompany new policies and procedures.

These states recommended to other states that they spend as much time as possible planning the conversion to simplified reporting.

States with lower payment error rates generally thought that they had more time to consult, to design, and to implement simplified reporting.

Mass Conversion, or Phase-In?

Phasing the new system into place had three real advantages

- The local office staff could sit with each client at recertification and explain the new, much reduced reporting requirement.

- And for those states that require interim (6-month) reports, the worker and client could discuss the importance of sending the completed report back. This could be particularly important in states where clients were not used to submitting monthly or quarterly reports. These clients would have no experience with continuing their eligibility by mailing a form in.

- The third advantage was that states could leave households' certification periods alone. Then, at recertification, the local office could assign a certification period of 6 months (to avoid the interim report) or longer (in states that require an interim report).

On the other hand, and there always is an other hand, phase-in means running two systems at once. This is particularly a challenge for states that do not act on all changes. This is because a worker would have to remember that SR households generally do not have their benefits drop during the 6-month period, while other reporters do. Such is the stuff of which errors are made.

11 Miscellaneous Considerations

Notices to Clients

If Food Stamps has simplified reporting, and TANF and Medicaid do not, it will require careful drafting of the reporting instructions. After all, one is telling the household to report some things for some programs, and a lot less (and different) for another welfare program.

Acting on all Changes

The SR regulations forbid a state to act on most voluntarily reported changes that would reduce a household's benefits. However, some states have asked for, and received, waivers to let them act on all changes. Why did these states want these waivers?

There were two reasons commonly given. The first concerned the Food Stamp Program's relationship with other welfare programs. Often a state's TANF and MA programs could not, or would not, adopt simplified reporting. As mentioned elsewhere, simplified reporting's cost was a primary factor here. Many computer systems are not configured to hold different amounts for different programs. Therefore, it was not possible to use one income amount for food stamps and another for the other welfare programs. The way out was to keep food stamps aligned with TANF and MA, and to act on all changes in circumstances.

The other reason was much more cultural. It has been a hallmark of the Food Stamp Program, for decades, to act on all changes that occur during a certification period. State agencies have repeatedly insisted to eligibility workers that they must do something with all of the information that clients report. Some states thought that the attitudinal shift would be too jarring and too confusing for local offices. Some also feared that the criteria for when to reduce food stamp benefits could actually lead to errors.

Using simplified reporting just for wage earners

When simplified reporting first went into effect, it was available only to households with earnings. The Farm Bill then made SR available to household with no earned income. However, some states still limit SR to earned income households. Why?

States offered three reasons. First, SR is a tool to reduce client-caused errors. In some states, client-caused errors are a problem that occurs most commonly in households with earnings. Therefore, it made sense to these states to apply SR to earners.

A second reason was that some states implemented SR when it was available only to earned income households, and did not have the money or the opportunity to expand SR's coverage. Most especially, computer costs were a concern.

The final reason offered was a desire to go slowly. In two states, the local offices asked that there be a sort of moratorium on changes, that the Food Stamp Program be allowed to settle down for a while. There was also an accompanying desire to see how SR actually works, to see if it actually works well, before expanding it to the rest of the Food Stamp caseload.

It is perhaps worth noting that the second and third reasons would probably not apply to a state that is just now thinking about implementing SR. The first reason would, though, and would have to be balanced against the advantages of having one reporting system for almost all households.

And a sometimes overlooked risk in having more than one system is the consequence of putting a household in the wrong system. When quality control reviews a household's allotment, it does so according to the household's correct reporting system and not the system that the household actually uses.

12 The Bottom Line – Advice from States to States

- Test the computer system
- Analyze current data to make sure that SR will not raise your error rate (there was concern that a 6-month certification period would let an application error linger in the case, rather than being caught at a 3-month recert)
- Give yourself plenty of time to plan the new system
    - Involve localities more
    - Consider the possible situations that will arise, and develop responses before implementing
- Sell the system, especially to the local offices
- Deliver a lot of training to the local offices, and deliver it right before implementing
- Be prepared for unusual effects on unusual households
- Start letting local office staff know well ahead of time
- If you have a 6-month report, retrain the staff right before the first 6-month reports are due.

/1 If August were the sixth month of the certification period, the household would have reapplied in February and perhaps presented information from January.
/2 Households with certification periods over 12 months cannot be in simplified reporting; they are barred from all forms of periodic reporting.