



# Untangling the Safety Net

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## About CLASP

CLASP develops and advocates for policies at the federal, state, and local levels that improve the lives of low-income people. We focus on policies that strengthen families and create pathways to education and work. Through careful research and analysis and effective advocacy, we develop and promote new ideas, mobilize others, and directly assist governments and advocates to put in place successful strategies that deliver results that matter to people across America. For more information, visit [www.clasp.org](http://www.clasp.org) and follow [@CLASP\\_DC](https://twitter.com/CLASP_DC).

## Untangling the Safety Net without Block Grants or Waivers: How States Integrate Programs to Benefit Families

By [Olivia Golden](#)

In the debate on poverty and the safety net generated by this year's 50th Anniversary of the War on Poverty, some commenters have criticized major anti-poverty programs like Medicaid and the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) as so complex, rigid, difficult to administer, and impossible to package together that they need fundamental change. These critics' recommended changes include merging the programs into a block grant, allowing states discretion over major program provisions through waivers, or delegating discretion below the level of states, to local governments or case managers.

These proposals are deeply risky for families, as CLASP experts have argued [elsewhere](#) (including [my recent testimony](#) before the House Budget Committee). And we just don't need to take those risks. New information from the states continues to build the evidence that massive overhaul is simply not necessary to achieve the goal of more streamlined and integrated program administration.

Specifically, in the Work Support Strategies (WSS) initiative, six states – Colorado, Idaho, Illinois, North Carolina, Rhode Island, and South Carolina – have committed to integrating the core work support programs (Medicaid/Children's Health Insurance Program (CHIP), SNAP, and child care subsidies) within the framework of existing federal laws and

policies. The goal is to streamline and integrate service delivery in these programs to benefit both families and state workers – ensuring that low-income working families get and keep the full package of benefits for which they are eligible and reducing the burden on state workers and local offices.

The six WSS states believe that families deserve to get an integrated package of programs, and they would agree with critics that, too often, that promise has not been delivered. But after three years of planning, experimenting, and realigning programs, their experience already debunks many other myths about how to deliver the safety net programs and provides lessons about what kind of change is needed.

**Myth #1: Only liberals support the role of today’s safety net programs and are committed to doing a better job of delivering these programs to families.**

The Work Support Strategies states have governors and state legislators of both parties and represent a wide variety of political contexts. Yet they have committed themselves over several years to the intensive work of revamping technology, streamlining the day-to-day operation of local offices (“business processes”), aligning and simplifying state bureaucratic rules, and using data more effectively, to improve delivery of the core programs to eligible families as an integrated package.

Why? One reason is that less bureaucratic, more responsive, and more streamlined service delivery resonates across party lines. Reducing burdens on families is often equally helpful for state workers and administrative efficiency. If families can bring their paystubs to just one state worker and the information on file can support eligibility determination for several programs, there is less burden on both families and workers and less chance of errors – compared to standing in three different lines,

bringing the pay stubs to three different workers, and having them all enter the information separately. As Anthony Keck, South Carolina’s Director of Health and Human Services, explained his state’s motivation for change, “[L]ines [in our county offices] were often out the door and our citizens were required to wait in one line for each department to access and apply for benefits. This alone provided enough reason to participate in the WSS Initiative.”

And states of both parties see benefits for low-income working families when state systems successfully deliver the full package of programs for which families are eligible. Governor C.L. (“Butch”) Otter of Idaho emphasized Idaho’s goal of “helping families enter and succeed in the workforce” as the underlying reason for the state’s work to streamline and integrate access to SNAP, Medicaid, and child care subsidies and to “reduce the impediments to receiving those services for which they are eligible.”

**Myth #2: States cannot integrate the programs without fundamentally overhauling current law.**

The argument for extreme solutions like block grants relies on the idea that nothing else works, since the disadvantages of block grants are stark when it comes to safety net programs. Block grants do not respond well to economic downturns like the recent Great Recession, thus leaving families, communities, and states without resources just when they need them most. They are ill-suited to supporting core national goals – such as ensuring that every American starts life healthy and well-nourished – but instead contribute to disparate life chances based on where a child is born. And, since there is no direct link between spending and need, Congressional appropriations for block grants tend to shrink over time.

Given these disadvantages, it is a relief to find out that the safety net programs can be integrated under current law. All the WSS states have discovered enormous opportunities to integrate their

administration of these programs, fitting them together better from the perspective of both families and state workers, within current law. Some opportunities don't involve new state policies at all, but rather improved business processes in local offices – for example, taking out extra steps or requirements long eliminated from state policy but still practiced by caseworkers. Others involve more effective use of technology – for example, “rules engines” that can use one core set of information to determine eligibility for several programs with different requirements. And still others involve flexibility already in the law, such as South Carolina's “express lane” initiative to provide children with Medicaid coverage if the state could determine them eligible based on income information already available to the state in the SNAP files – an initiative which provided health coverage to tens of thousands of children.

### **Myth #3: The biggest obstacle to state innovation is federal statute or policy.**

Over the past decade or more, [experts at CLASP](#), the [Center for Budget and Policy Priorities](#), and other policy organizations have identified many practical opportunities that states can seize in existing federal statutes to advance program alignment and integration. Typically, these analyses have concluded that states have far more flexibility to align programs than they are using.

But what do the states think about this conclusion? Now that the WSS states have each mounted intensive reviews of policies across the safety net programs, we can confirm that they find the same thing. As the six states have examined their definitions of key eligibility elements (such as income), requirements for verification, and other requirements, they have found that the major obstacles often arise from historical decisions by state agencies – decisions that the state has full authority to unmake. To take just one example, many

states look for [detailed verification of work hours](#) and schedules before determining eligibility for child care subsidies – a choice not required anywhere in federal law and one that slows down the process and sharply increases burden on both families and state workers.

As an example of a state-based solution, two county directors from North Carolina, Nancy Coston and John Eller, report on what [North Carolina's WSS team learned from its careful assessment of state policies](#). “The various state divisions operated in silos, often making policy changes that conflicted with other policies in other divisions. ... We wished to create more consistency across programs, streamline redeterminations, and reduce churn. A policy review system and team were created to enable two-way communication between counties and the state....No policy is implemented within the state's means-tested programs until this group discusses and reviews it.”

There can certainly be room for improvement in the details of federal policy as well, arguing for the kind of well-defined waiver authority for limited purposes that now exists in many programs, including Medicaid, SNAP and workforce programs. But states that go through the detailed process required to figure out what waivers they need often discover that they already have far more flexibility than they understood beforehand.

### **Myth #4: Delegating major policy decisions about the safety net to counties, local offices, or individual case managers leads to better results.**

Among the WSS states, two are county-operated, and one has almost 100 very diverse local offices. In all these states, the design of the initiative has brought state and county or local officials together to assess the improvements needed to reduce burden on workers and ensure that families get and keep the full package of benefits.

While their approaches differ, all three state-local teams have learned that successful service delivery requires closer partnership between the two levels -- not hands-off delegation. On the one hand, county and local offices need regular and effective ways to provide input into state decisions about policy, practice, training, and technology. On the other, the state needs to develop and share data on local operations and provide intensive technical assistance. Even more important, state investment in new technology holds huge promise for improved county and local office administration – but requires extremely close collaboration during often-challenging roll-out periods.

Local innovation and leadership can be especially effective when guided by shared state-local goals. However, local innovation is least beneficial when offices interpret policy differently for arbitrary reasons (the perspective of a particular worker or supervisor, for example), or invent idiosyncratic work-arounds to cumbersome state rules without ever documenting or discussing them. In these cases, the quality of services for families may be very uneven across the state, hindering efforts at statewide improvement.

Some reform recommendations go beyond delegation to local or county offices and argue that case managers who work directly with families should make major policy decisions, such as which families would benefit most from which programs. This idea likely derives from the experience of small, targeted programs that work closely with highly vulnerable, multi-needs families and employ well-trained case managers with small caseloads and the time to build individualized relationships with clients. But the approach is ill-suited to the large safety net programs.

Why is this argument so bad a fit to the safety net programs? For one thing, the families are different. Unlike the much smaller group of deeply vulnerable, multi-needs families who may benefit from a close

relationship with a case manager to motivate them to make major life changes, the families receiving the major safety net programs represent a much broader cross-section of Americans, many working long hours in low-wage jobs while also raising children. What these families need is not time-consuming individual appointments with case managers but easy, straightforward access to health insurance and assistance paying for food and child care. The last thing we should be doing is making these families' access to food or health care conditional on pleasing a caseworker.

For another, the front-line eligibility workers who make determinations for the large safety net programs may have caseloads of 1,000 or 2,000 families, with perhaps 30 or 45 minutes to spend per case. Given these caseloads, the WSS states aim to support front-line eligibility workers in quick and accurate decision-making by making it easier for them to get access to relevant information and understand how to use it. The goal is consistent, easy-to-understand policy, perhaps embedded in technology to do some of the work for the caseworker, not ambiguous policy choices.

In some cases, the WSS states hope to streamline eligibility decision-making enough so workers' time is freed up to build relationships with those families who need more help, or to have more in-depth conversations on topics beyond eligibility. For example, if child care workers spend less time on routine eligibility, they might have more time to help families understand what quality child care looks like. But the key is to make sure workers are able to deliver the basic benefit to families in a straightforward, streamlined, consistent way – so case management or more intensive help for families is not a substitute for but a supplement to the core benefit.

### **Myth 5: Increased flexibility is a substitute for adequate funding.**

The WSS states generally hope that taking advantage of the flexibility built into current laws will help them get rid of extra bureaucratic steps and save modest administrative costs. While this may well be true -- we'll know more when the WSS evaluation is complete in 2016 -- we already know from a wide range of evidence that the potential savings don't come close to filling the gaps in seriously underfunded programs.

One vivid example is the Child Care and Development Block Grant, one of the most flexible of the safety net programs. On the one hand, its flexibility means that states have considerable room to simplify overly complex state policies that currently overwhelm workers and families. On the other hand, as a result of capped federal funding, the number of children served through the child care block grant is now sharply down, hitting the lowest number in more than a decade. Taking advantage of flexibility to improve efficiency and find administrative savings can be extremely important -- for one thing, these steps can increase elected officials' comfort with investing resources to meet needs. But the role of flexibility and efficiency in filling service gaps should not be overstated: when funding is substantially inadequate to meet the need, flexibility alone won't solve the problem.

Rather than let myths drive suggested remedies to the safety net, let's build on success and follow the evidence about what changes can really make a difference. Rather than massive overhauls that would only undercut effective programs, we need to build on what some states are already doing: delivering health and nutrition assistance, help with child care and, other core work supports smoothly, speedily, and as an integrated package to all eligible families.