

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

Final Report

Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) dramatically changed the system that had provided cash assistance and food stamp benefits to low-income households since the early 1970s. While the primary focus of PRWORA was to replace the Aid to Families with Dependent Children (AFDC) Federal entitlement program with the Temporary Assistance for Needy Families (TANF) block grant, it also included major reforms to the Food Stamp Program (FSP). Eligibility rules were changed for some categories of low-income clients, benefits were modestly scaled back, and States were given increased flexibility to coordinate the administration of the FSP with their TANF programs. As a result of this increased flexibility and the reduction in TANF participation, States not only changed their FSP policies, but also changed many of the traditional administrative operations of the program at the State and local levels. The extent and nature of these administrative changes are the subject of this report.

Background of the Food Stamp Program

The primary objective of the FSP is to increase the food purchasing power of low-income citizens so that they may obtain a nutritious diet. The FSP provides food assistance in the form of food coupons or electronic benefit transfer (EBT) cards that are redeemable at authorized food stores. FSP benefits are available to all persons who meet the national eligibility criteria established in each of three broad areas: income level, value of assets, and willingness to comply with work requirements. The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture provides broad policy guidance to the States for implementing the Federal standards for the FSP set by Congress.

Day-to-day administration of the program is carried out by the States and, in some areas, by local governments under State supervision (“county-administered” programs), with the administrative costs shared by Federal, State, and local governments. States have always had a great deal of flexibility in how they administer the FSP, which was further expanded with the removal of certain State mandates and the creation of many new options for program administration in PRWORA. To accomplish the Federal goals for the FSP, States provided food stamp benefits to a monthly average of over 18 million individuals in 7.67 million households in Federal fiscal year (FY) 1999 (Food and Nutrition Service, 2000 (a)).

In 1996, PRWORA brought major changes to the FSP. The legislation includes more than 60 provisions directly affecting the FSP. Some of these changes had significant effects on food stamp eligibility and benefits, while others may have changed how States administer the FSP. The key provisions of PRWORA that affect FSP eligibility and benefits include:

- *Eligibility Restrictions*

- *Able-Bodied Adults Without Dependents (ABAWDs)*. PRWORA imposed the first time limits on FSP participation. ABAWDs are only allowed to receive food stamps for 3 months in each 36-month period, if they are not working or participating in a workfare or employment and training program that involves more than a job search. This requirement, however, can be and has been waived in some areas within individual States. This new eligibility rule requires States to develop tracking systems to determine when these individuals hit their food stamp time limit and are no longer eligible to receive food stamps.

- **Immigrants.** PRWORA also ended food stamp eligibility for many legal immigrants. Noncitizen eligibility now depends on an array of rules involving age, date of U.S. entry, veteran status, work history with social security coverage, disability status, and refugee status.
- **Reductions in Benefit Levels.** PRWORA also reduced the maximum food stamp benefit level, froze the standard deduction at FY 1996 levels, established lower caps on the excess shelter deduction and froze them at FY 2001 levels, and required households to include State energy assistance and the earnings of children under age 18 as income.
- **Electronic Benefit Transfer.** Since the 1980s States have been issuing food stamp benefits through electronic benefit transfer (EBT) systems, where participants are provided food stamp debit cards. Each time a participant shops at a participating retailer, he or she submits the debit card and the system draws down on available funds in the household's food stamp account after the food purchase is made. PRWORA requires all States to set up EBT systems by the year 2002. About 75 percent of food stamp benefits are currently being issued by EBT.

In addition to changing the eligibility and benefit provisions of the FSP, PRWORA also established new requirements and gave States more freedom to coordinate rules in the Food Stamp and TANF programs. Key PRWORA provisions in this area are described below.

- **Simplified Food Stamp Program.** Given the significant differences in each State's eligibility determination rules for TANF and the Federal standard rules for food stamps, PRWORA gives States the option to operate an approved Simplified Food Stamp Program under which States can determine food stamp benefits using TANF rules, regular food stamp rules, or a combination of the two, as long as the new rules do not reduce food stamp benefits more than a certain amount or increase Federal food stamp costs.
- **Prohibition on Increasing Food Stamp Benefits for Sanctioned TANF Households.** Administrative action by the Clinton Administration, just prior to passage of PRWORA, prohibited an increase in food stamp benefits when a household's income is reduced because of a sanction imposed under TANF for noncompliance with TANF work or with other

requirements (such as school attendance or immunization of children). Before this action, food stamp benefits would have increased and partially compensated for the loss of cash assistance when a household's TANF benefits were reduced due to a TANF sanction.

- **Optional Coordination of TANF and Food Stamp Sanctions.** PRWORA also gives States the authority to either reduce food stamp benefits or disqualify from food stamps the noncompliant individual in the sanctioned TANF household. These PRWORA provisions also allow all States the ability to sanction the food stamp benefits of a TANF household with children under age 6—a group that had previously been exempt from any food stamp sanctions. According to published survey data on State food stamp choices after PRWORA, 12 States had chosen to disqualify food stamp recipients for failure to comply with TANF and 7 States selected the option to reduce food stamp benefits when a household is sanctioned for noncompliance with a TANF rule (Gabor and Botsko, 1998).
- **Optional Child Support Sanctions.** States also have the option of disqualifying a custodial or non-custodial parent from food stamps until they cooperate with child support enforcement offices. Eight States chose this option (Gabor and Botsko, 1998).
- **Elimination of Joint Application Mandate.** PRWORA eliminated the requirement that States have a joint application form and process for food stamps and cash assistance. While most States have retained the joint application form, a few States conduct the application for food stamps and TANF at separate locations for persons applying for both programs (Gabor and Botsko, 1998).

Most important, the new law provided increased flexibility for States to customize their administration of the FSP to conform to changes being made in TANF, since these two programs are usually administered by the same State agency and at the same local welfare office sites. These changes in program administration could create significant variation among programs across the country. In some cases, these State variations will conform to changes being made for recipients of the TANF block grant program. In other cases, State variations in FSP administration will be specific to FSP recipients.

Study Purpose

The goal of this study is to inform Federal and State officials of the ways States have altered or re-engineered the FSP at the State and local levels after passage of PRWORA. Recognizing that States have been making a wide array of changes to their FSP since implementation of welfare reform, both in policy and administrative practices, and that the timing of State implementation of welfare reform has varied greatly, the scope of this study was specifically defined to include only administrative and operational practices and only changes in those practices that were implemented or planned to be implemented after passage of PRWORA.

The information gathered for this study has two primary uses. First, the data will provide a thorough overview of the administrative and operational changes States have made to their FSPs, or were planning to make, in response to welfare reform. It will enable prediction of changes likely to be seen in the near future. In addition, information about the types of administrative changes States made, and about some of the motivations of the State program administrators in making these changes, provides baseline information for future evaluations of the intentional and unintentional consequences of these changes. Finally, this report will be informative for State program administrators who have not yet implemented administrative and operational changes, who can consider how these changes may apply to their own State FSP agencies and local delivery systems.

Research Plan and Methodology

Categories of State Administrative Changes

To describe and facilitate analysis of the broad array of State FSP re-engineering efforts, the information gathered from the States was divided into the following six categories of change.

- ***Changes in Organizational Structures.*** This includes the ways States have restructured program functions and organizational units as a result of PRWORA. In order to be included in the study, the organizational changes must have directly impacted the operation of the FSP.
- ***Changes in the Role of the Caseworker.*** This includes the ways States have altered the role of the caseworkers who are serving food stamp clients at

the local level. For the purpose of this study, the term “caseworker” includes any staff members that determine eligibility, conduct ongoing eligibility assessments, or provide case management services to food stamp recipients.

- ***Program Accessibility and Client Certification.*** Once a potential client decides he/she is interested in applying for program benefits, a number of factors influence ability to apply for these benefits. First, the ability of a client to present himself or herself at the local FSP office may be an issue. Second, the complexity of the application process may influence whether the client feels it is worth the time and effort to complete the application process.

This category includes data on two major activities undertaken by States. First, the study examined efforts by States to improve the client’s ability to physically access the local FSP office. An example of administrative changes in this category is the development of support services, such as childcare and transportation, that local offices may offer to eligible individuals who want to apply for food stamps. Improving accessibility also covers expanding office hours to better serve working clients, opening additional offices in outlying areas, and sending caseworkers to other health and social service program locations to take applications. In addition, State outreach efforts to increase awareness of the FSP, such as publicizing the program through print and public service announcements, were examined.

A second activity in this category consisted of changes States have made to their application process and certification systems, both through increased use of computer technology and by improving their certification process and/or food stamp application form. Changes in client certification may have an impact on whether clients find it easy to access the program by completing their applications. For example, if States increased the required documentation, clients might be less likely to complete the application process. In contrast, if the State simplified its application or recertification process, clients might be more likely to enroll and continue in the program.

- ***Changes in Client Tracking and Accountability Systems.*** For this category, the study examined States’ use of database matching to support program integrity efforts, their development of computer software to track sanction policies and time limits, and their efforts to reduce error rates.

- **Conforming FSP and TANF Program Rules.** This includes information describing the extent to which States decided to align TANF Program rules and FSP rules.
- **Program Monitoring and Evaluation.** This category summarizes States' efforts to monitor and evaluate their FSPs. For the purpose of this study, efforts to monitor the FSP include: (1) routine assessment of program operations, (2) attempts to track food stamp clients after they leave the program, and (3) formal evaluations States have undertaken to assess the impact of policy or operational changes.

The data collected and analyzed for this study are based on information gathered from the States in FY 2000 (see the data collection methods section). At the time of the data collection, States were asked to provide information about changes they had implemented since the passage of PRWORA, as well as any changes they were planning to implement during the remainder of the fiscal year. While some States have already made many of their welfare reform-related FSP policy changes, implementation is proceeding in others at varying speeds. Some of the administrative changes discussed in this report have yet to be completed and others are still in the planning stages, as State officials assess how best to rework their administrative systems to support their policy choices. However, it is clear at this point that a number of the changes under PRWORA have important implications for administrative practices and information systems.

Research Questions

Since the overall purpose of the study is to provide a description of the re-engineering efforts made by States since the passage of welfare reform, the research questions were designed both to capture information that describes these initiatives and to examine how the initiatives varied among States. In addition, to the extent possible, the study examines some of the motivation of State FSP administrators for implementing the changes. The major research questions were as follows:

- To what extent have States implemented administrative or operational changes to their FSPs since 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 motivating factors identified by States for making administrative and operational changes to their FSPs, and to what extent do the re-engineering efforts require the approval of different branches of government prior to implementation?
- How did States' efforts to re-engineer their FSPs vary between States with county-administered programs and those who administer the FSP at the State level?

Data Collection Methods

A three-part data collection process was developed to gather detailed information on administrative changes States have made or are making to their FSPs as a result of PRWORA. This process included: (1) abstracting data from State documents that describe the program changes, (2) administering a followup telephone survey to State officials to clarify and enhance the data abstraction, and (3) conducting a series of six case studies to examine local-level implementation of different re-engineering categories. The primary focus of each of the individual case studies was on one of the six major re-engineering categories. The studies are presented and discussed in Section II of this report.

Data Abstraction. The first step in the data collection process was gathering existing documents from States that described their re-engineering efforts in the six categories of change. The goal of the data abstraction process was to minimize the data collection burden on State government officials. Allowing officials to send existing documents for the project team to review and cross reference with the survey document meant that less of their time would be needed to obtain the data required for this study. The data abstraction process would also enable the team to ask fewer questions during the survey phase of the data collection process. In addition, because few States were likely to have made changes in all six categories, the review of existing documents meant that the followup telephone survey could focus on pertinent areas of administrative change, reducing the burden on respondents.

States were asked to send documents to the study team describing relevant changes to their programs. The types of documents gathered in this way were those used by States to obtain legislative authorization or project approval through an executive authority before implementing any FSP changes. The research team assumed that a number of documents generated from the States' planning and approval process could be for-

warded for data collection. The specific documents requested were legislative budget change proposals, departmental decision packages, strategic planning documents, advance planning documents, and other implementation plans.

However, because of the broad scope of the re-engineering categories and because the proposed changes may have affected other programs beside the FSP, some States informed the research team that gathering relevant documents would be a very cumbersome process. These State officials noted, for example, that since a number of re-engineering efforts were initiated outside the food stamp division, they would have to retrieve documents from other organizational units. Participants also indicated that relevant changes were not always documented in a way that would be helpful to the research team. In the end, 24 States were able to forward documents, 26 States asked to participate in the telephone survey only, and one State elected not to participate in the study because its food stamp office was significantly understaffed and it had not made any re-engineering changes that qualified under the six categories. A listing of the 24 States that were able to provide documents is found in appendix table 1.

Followup Telephone Survey. The second step in the data collection process consisted of conducting followup telephone surveys with State officials to clarify information from State documents, gathering information that was lacking in the material collected, and undertaking a data collection effort with States that could not provide documents for the data abstraction. The followup survey was useful not only for collecting data, but also for ensuring that the information the project team gleaned from the State documents was correctly interpreted.

The survey played the central role in the overall data collection. The survey instrument was divided into six sections of questions, corresponding to each of the re-engineering categories. Each section began with a screening question to determine whether a re-engineering effort in that specific category had taken place or was being planned for FY 2000. If the screening question received a negative response, that whole section of the survey was skipped.

As noted earlier, 49 States and the District of Columbia participated in the study. Forty-eight respondents participated in the followup telephone survey. One variation in the data collection methods did occur towards the end of the data collection period: at the request of

two States, the survey form was modified so it could be completed by mail. These two States provided written responses to the survey questions but did not participate in the followup telephone survey. The combined data collection instrument for the document abstraction and followup survey is presented in the State data collection instrument at <http://www.ers.usda.gov/publications/efan01009>.

Limitations of the Data

This study was designed to gather descriptive information about State re-engineering efforts in order to present a picture of how States have changed the administrative and operational practices of their FSP as a result of welfare reform. Though the research was able to accomplish this objective, a number of limitations to the data must be considered in reviewing the findings, as explained below.

- Since this study was designed to capture changes that occurred as a result of PRWORA, information on reforms that took place before PRWORA is not included. It is well known that States' welfare reform efforts began before the passage of PRWORA through the use of program waivers. For example, Utah made changes to its organizational structure by consolidating five agencies into a single Department of Workforce Development, but the restructuring was not included in the study because it took place prior to the passage of PRWORA.
- Planned changes may not have been implemented. The findings include information on changes that were planned for FY 2000 but that had not been fully implemented. A "planned" activity was defined as one that had been approved for implementation but had not begun or been completed at the time of the survey. However, this does not mean that the plan will be implemented in FY 2000. Problems such as budgetary or staffing limitations might interfere with full implementation of a State's re-engineering changes.
- Information was not collected to reflect changes made at the county level in county-administered States. Thirteen States pass on the responsibility of running their TANF and FSP to local county jurisdictions. In these States, the local jurisdictions often have the same kind of flexibility States have, and as a result modify their administration of the FSP to meet their own local needs and requirements. While variations between county-administered programs and State-administered programs are examined in the

findings section of this report, it was beyond the scope of this study to examine variations in the administration of the FSP among local areas within county-administered programs.

- Finally, it is important to note that the scope of State re-engineering efforts is both diverse and, in some cases, unique to particular situations within a State. When States were developing their re-engineering plans, they were not thinking about them in the categorical fashion used for this report, but rather were considering how they might modify their overall FSP administrative operations to meet the demands of welfare reform. While this report can provide a broad overview of re-engineering efforts, capturing data about specific State-by-State implementation steps and the level of effort needed to implement changes was beyond the scope of this project. To capture this type of detail would have required an expanded data collection process and created a significantly heavier burden on State program administrators.

The methodology used for this study tried to capture operational changes at a level that would allow compa-

able data to be examined across States. However, the research team was aware that there was a great deal of interest in examining some of the more innovative approaches used by States to implement their changes. Therefore, these new approaches were included in the six case study reports, which are the subject of Volume II of this report. These case study reports provide a higher level of detail with regard to the implementation and operational aspects of the specific State's re-engineering effort.

Findings from this study are organized into three chapters. Chapter I provides an overview of the extent to which States implemented re-engineering efforts in one or more of the categories described previously. Chapter II provides a detailed description of changes made by States in each of the re-engineering categories. Chapter III presents a discussion of the implications of the findings for future research. Tables presenting more detailed information on key survey responses from individual States are presented in appendix A.

Section A: State Survey

I. Overview of State Re-engineering Efforts

Categories of Administrative Change

Each of the six categories of State FSP administrative change analyzed for this study was chosen for its relevance to the FSP in a post-welfare reform environment. These categories were also chosen, in part, because these areas were of greatest policy interest to program managers at the Food and Nutrition Service (FNS) and were items for which FNS had no standardized means of collecting information. The policy premise upon which each of the six categories of administrative change was determined is briefly summarized below.

- ***Change in Organizational Structure of the State FSP Agency.*** In the broader context of State efforts to reorganize the State agency administering TANF and to increase the emphasis on moving clients into the workforce, many States have been merging agencies or consolidating functions at the State level. With the increased flexibility in developing program rules for the TANF block grant, some States are also moving from a centralized to a decentralized approach in the administration of their TANF programs. It was the purpose of this study to determine whether and how the administration of the FSP was altered during this same period.
- ***Changes in the Role of the Caseworker.*** As States are changing the orientation of the TANF program to focus on promoting work and self-sufficiency, and on identifying barriers to employment and how to overcome them, the role of the caseworker is pivotal. While States are required to pay more attention to client eligibility restrictions in the FSP, they are also changing the role of caseworkers who see TANF clients into more of a case manager role. As a case manager, the caseworker has added responsibilities, related to helping clients to become more self-sufficient, to find support services such as child care, and to identify opportunities for finding and maintaining a job. In addition, some States began dividing caseworker responsibilities by the type of client being served. For example, some States created classifications for caseworkers who handled clients eligible for multiple social and health services programs (TANF, FSP, and Medicaid), while creating separate classifications for workers who saw FSP participants only. This study sought to determine whether and how States changed

the caseworker's role and the division of caseworker roles within local offices, including how caseworkers served both TANF and non-TANF clients.

- ***Changes To Improve Program Accessibility and Modify Client Certification Systems.*** The need to improve access to the FSP became increasingly clear in the mid-1990s, as program statistics indicated not only a dramatic decline in TANF participation nationwide, but also a significant decline in food stamp participation. This study sought to determine whether and how States varied in terms of their efforts not only to bring in eligible clients to apply for food stamps, but also whether and how they were encouraging eligible households to stay in the FSP after they took jobs and lost cash assistance. PRWORA gave States more flexibility in the food stamp application process, and the study also looked at how States modified the initial application and recertification processes in ways that may have affected program efficiency and coordination at the local level.
- ***Client Tracking and Accountability Systems.*** Unlike those in the other categories, the State changes assessed in this category are mostly a consequence of new Federal requirements enacted by PRWORA. Because of these new requirements, States need new methods for collecting and tracking information about applicants and current food stamp recipients in order to determine FSP eligibility and prevent errors in program certification. Examples of the new data States are required to maintain or be able to track through database matching efforts include: information on TANF clients' participation in work programs and their employment status; information on ABAWDs' employment, participation in FSP employment and training activities, and months of participation in the FSP; information on the immigration status and year of entry into the United States of legal aliens; and information from Federal and State records on clients' prior convictions for felonies.
- ***Conforming FSP and TANF Program Rules.*** Because of the new option of the Simplified FSP, along with Federal and State policymakers' interest in reducing program complexity and promoting conformity between TANF and the FSP, an important category of change was the extent of conformity that States initiated between these two programs. The study assessed the number of States that had con-

formed the FSP to their State TANF rules, either through the Simplified FSP option or by shaping TANF rules to existing Federal FSP rules.

- **Program Monitoring and Evaluation.** With the significant changes in welfare reform, it became important for public policymakers to know how the changes were affecting client outcomes. In the FSP, it is important to know whether and how States are investing in systems or special studies to monitor and evaluate the success of the FSP, both in terms of employment outcomes and of ensuring that families are receiving the food assistance to which they are entitled.

Number and Type of State Administrative Changes in the FSP After PRWORA

This section discusses the extent to which States made changes in their FSPs that fall into the six categories of re-engineering changes. Two approaches were used to examine these data. First, the total number of activities that fell into each of the six re-engineering categories was examined. These results are presented by displaying the number of States completing or planning an activity that fell into the specific re-engineering category. Second, the total effort made by States is displayed, that is, the number of States that undertook or planned re-engineering activities in one or more categories. Analyses of these data are therefore designed to provide a “big picture” view of the efforts made by States to re-engineer their FSPs. Details on the specific activities themselves within each of the six categories are presented in chapter II.

When viewing these data, it is important to remember that from the State agency’s point of view, the changes to its FSP were likely the result of a single effort to change the way the program is administered. It was the purpose of this study to examine the State efforts and place the various activities into the six categories of re-engineering changes. For example, if a State decided to implement a project that redefined the role of the caseworker, and at the same time restructured reporting relationships by creating new organizational units, the State was classified in this study as having made changes in two re-engineering categories.

The data discussed below are divided into two general categories: activities implemented after PRWORA but

prior to FY 2000, followed by activities planned for FY 2000.

How Many FSP Administrative Changes Did States Implement After PRWORA?

Every State agency included in the study (49 States and the District of Columbia) reported making administrative changes to their FSP that fell into one or more re-engineering categories. Figure 1 displays the number of States that have made changes, by the number of categories into which those changes fall. As can be seen, 48 (96 percent) of the States made changes that fall into two or more categories, while 19 States (38 percent) made changes falling into four or more re-engineering categories. Figure 2 displays each of the States and the number of re-engineering categories in which they made changes after PRWORA.

What Categories of Administrative Change Were Most Common?

As can be seen below in fig. 3, three categories of change were reported by the majority of respondents (see appendix table 2 for specific States). Forty States reported they had enacted re-engineering efforts in the category of client tracking and accountability systems—not a surprising finding, since this category of change was driven in large part by new requirements in the law. Thirty-nine States reported changes to improve FSP accessibility and client certification systems. Responses in this latter category included States’ efforts to improve FSP participation by those eligible, as well as efforts to modify their application and certification systems. While efforts for improving access were consistent with the concern over large declines in FSP participation and the increasing public attention being paid to this, efforts to change the certification system may also have been a result of needing to reduce FSP certification error rates.

Of interest—and an unexpected result—was the third most frequently reported category of change: changes to conform FSP and TANF rules. Though only a small number of States opted to utilize the Simplified FSP option, a total of 34 States reported some efforts to conform the State’s TANF and FSP rules.

A large number of States made changes in more than one of these three categories. Specifically, 22 States made changes in all 3 of these categories and 32 States made administrative changes in both their client tracking and accountability systems and in improving pro-

Figure 1

Number of States implementing re-engineering efforts as a result of welfare reform before FY 2000 by number of category changes

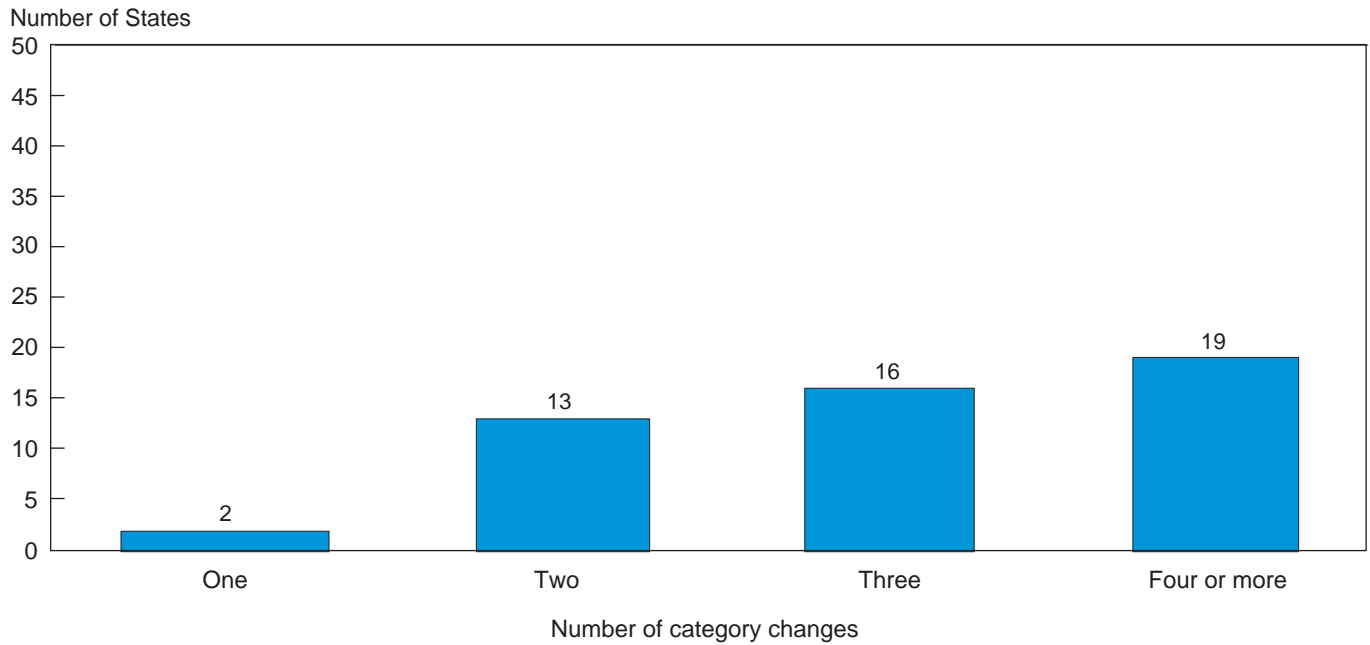
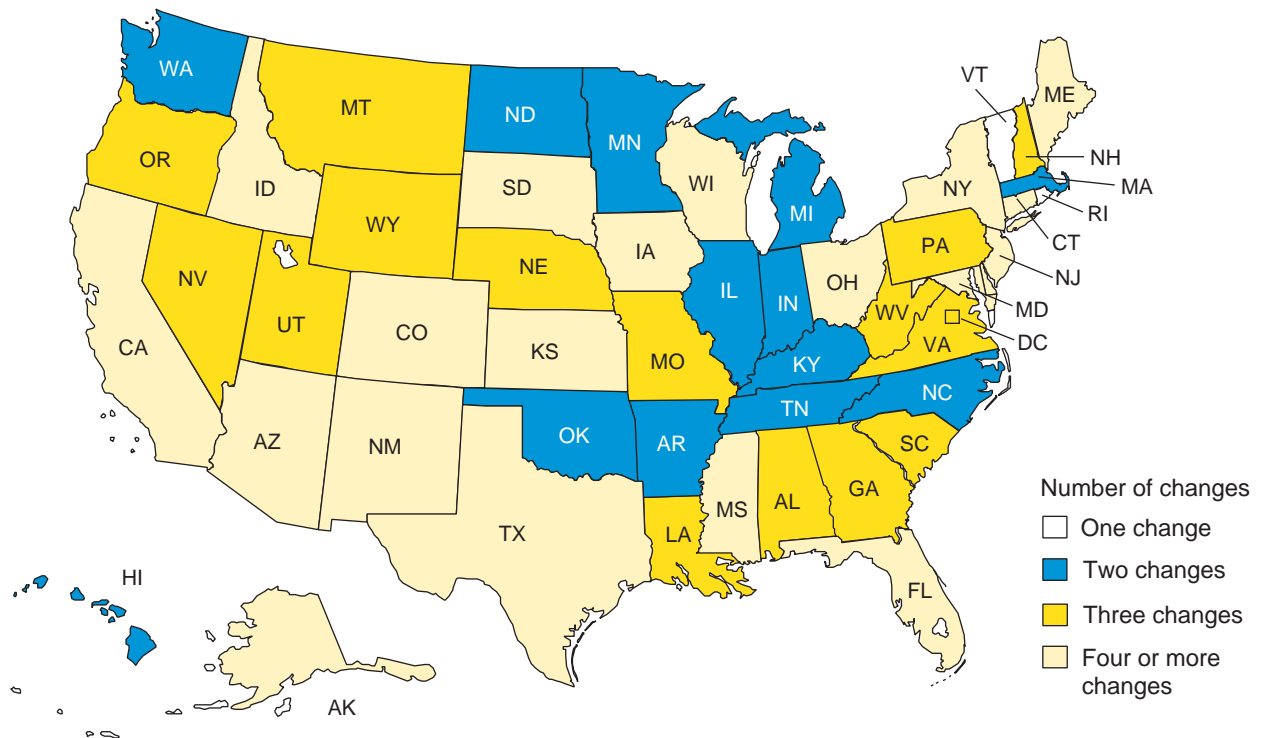


Figure 2

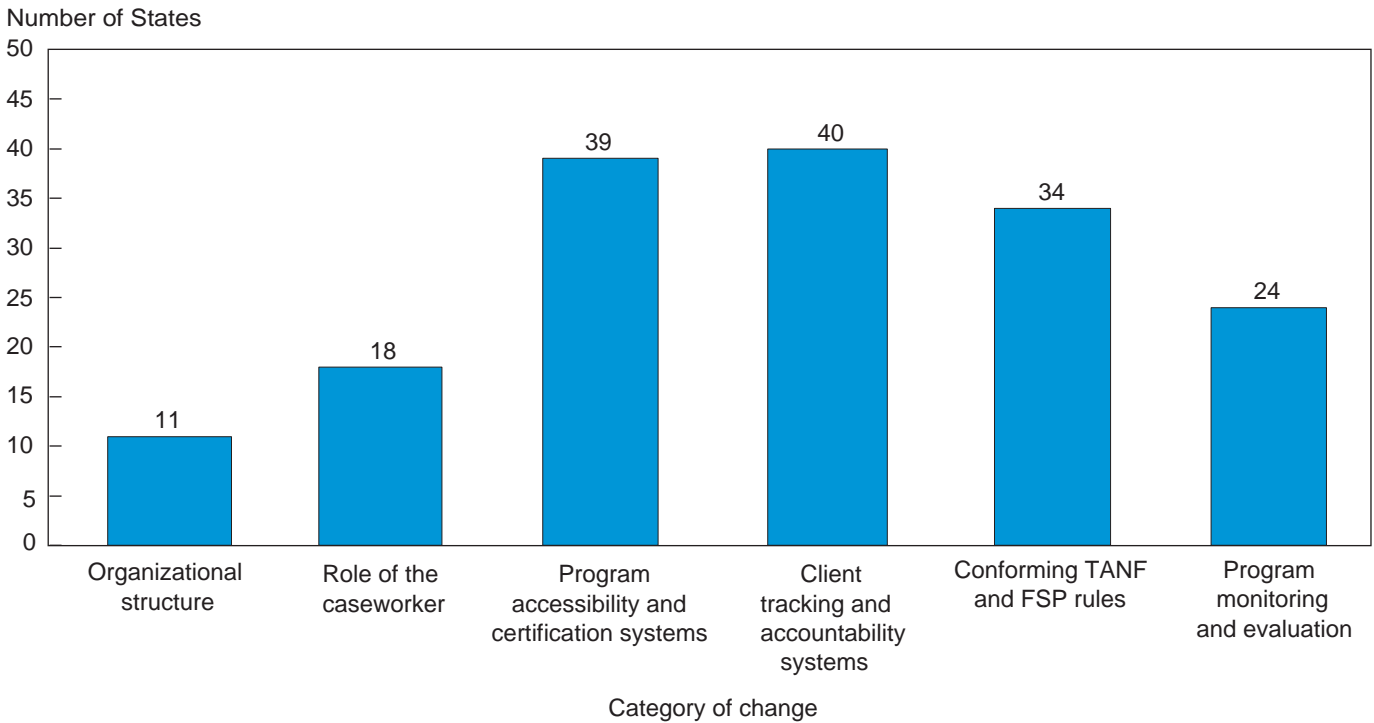
Number of re-engineering efforts by States as a result of welfare reform before FY 2000



Note: Delaware did not participate in the study.

Figure 3

Number of States implementing re-engineering efforts as a result of welfare reform before FY 2000 by category of change



gram accessibility and/or modifying their FSP certification systems.

What Changes Did States Plan to Implement by the End of FY 2000?

In addition to asking about activities implemented since 1996 as a result of welfare reform, the study also questioned State officials about plans for implementing re-engineering efforts in FY 2000. States that were planning to enact one or more re-engineering changes in FY 2000 are displayed on the map in fig. 4. As can be seen in fig. 5, only 10 States reported no plans to implement any re-engineering efforts. One-third (16) of States reported plans to implement one change, 17 planned to enact 2 categories of change, 6 planned on implementing 3 changes, and one planned on implementing 5 changes by the end of the fiscal year. All 10 of the States not planning to implement any further changes had already implemented 2 or more changes in the prior years.

Of the States planning to implement changes in FY 2000 (see appendix table 3 for listing of States), the

majority (28 States) planned to implement changes in program accessibility and certification systems (fig. 6). This may be a direct result of the concerns regarding drops in FSP participation rates. It was also interesting to note that nearly one-third of the States (15) planned to increase their program monitoring and evaluation activities in FY 2000. This also may be related to the drop in program participation, as States may be wishing to analyze the impact of welfare reform on client services and caseload. The increased interest in program monitoring and evaluation will be discussed further in chapters III and IV.

Comparison of Changes By State FSP Characteristics

In examining the level of the effort with which States have re-engineered their FSPs, it is important to assess whether the extent of State changes was correlated with the level at which the FSP is administered (county or State) and the size of the FSP caseload, as measured by the average number of monthly FSP participants in each State.

Figure 4
Number of re-engineering efforts planned by States for FY 2000

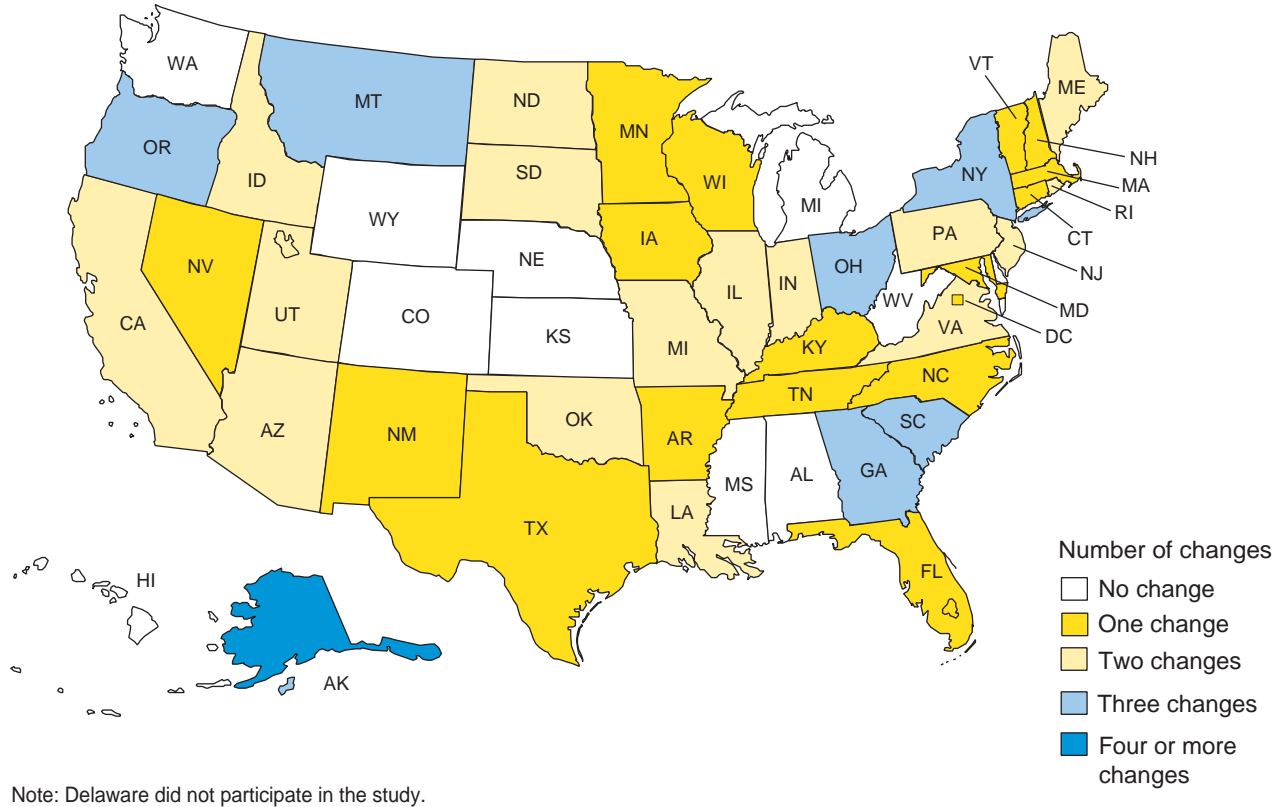


Figure 5
Number of States planning re-engineering efforts during FY 2000 by number of category changes

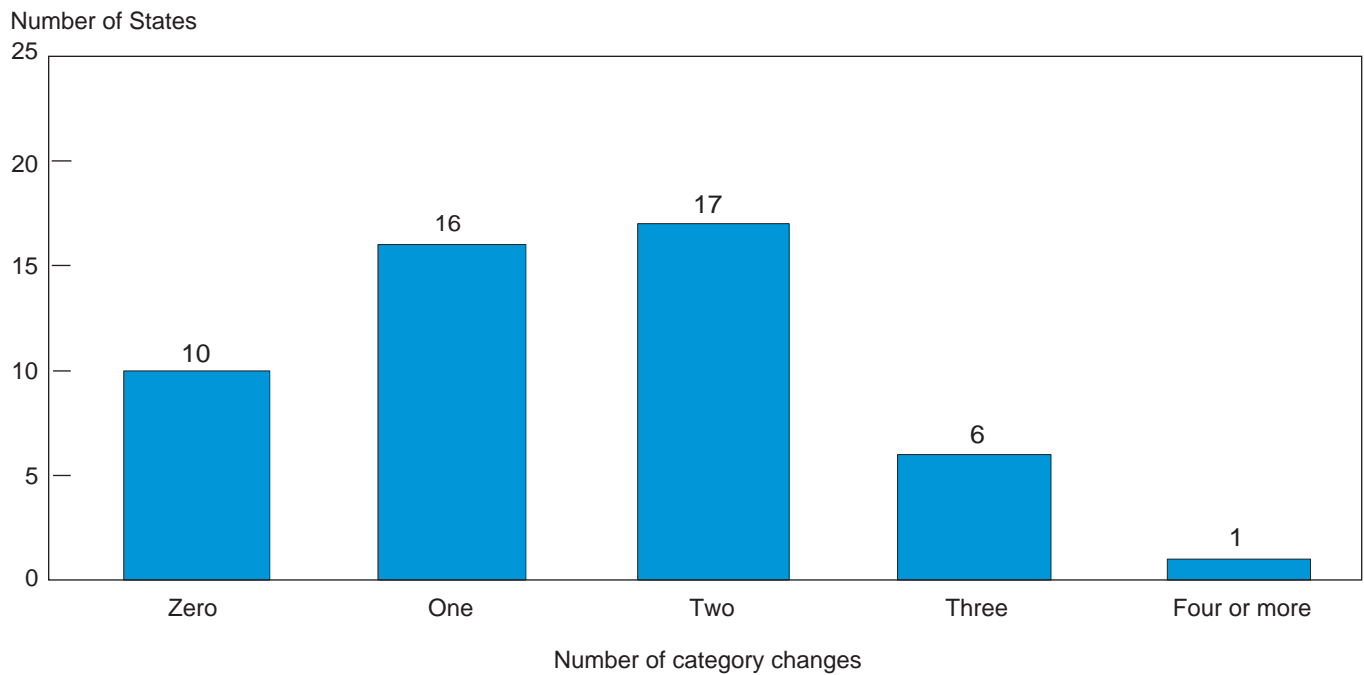
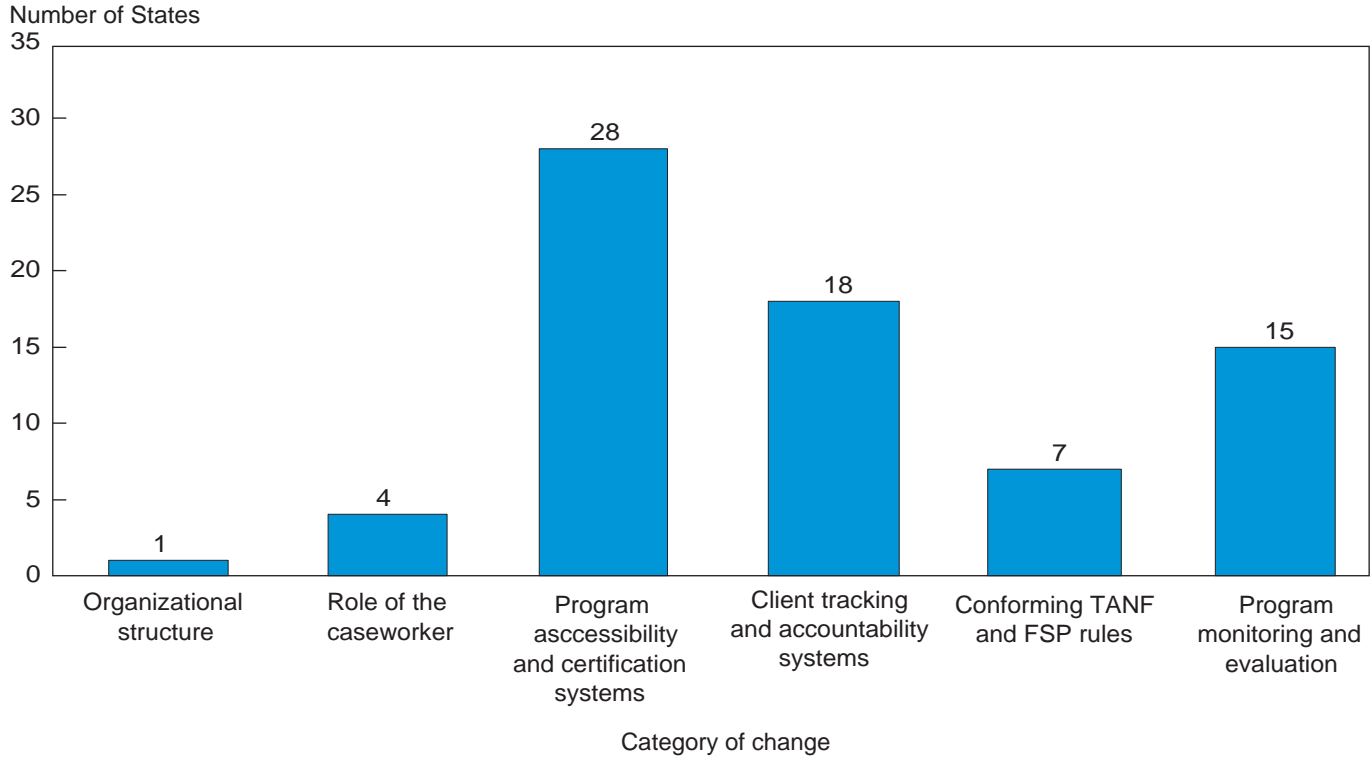


Figure 6

Number of States planning re-engineering efforts during FY 2000 by category of change



Are There Differences Between States With County-Administered and State-Administered Programs?

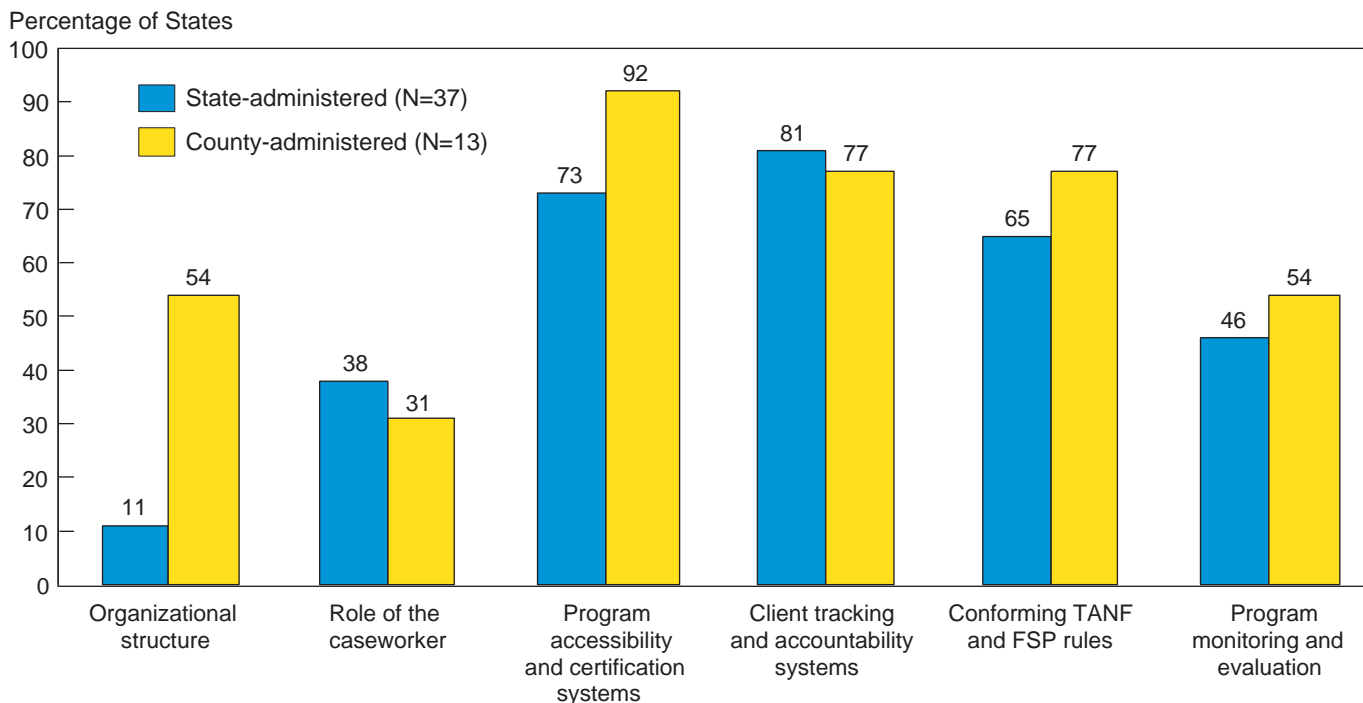
One hypothesis underlying this study was that States that allow counties to administer their FSPs would be more likely to place less emphasis on their re-engineering efforts than States that administer their programs at the State level. A total of 13 States (26 percent of the study States) have county-administered FSPs. The map in fig. 7 shows which States run county-administered FSPs and which run their FSPs from the State level.

Since the FSP rules are determined primarily at the Federal level, the major difference between county- and State-administered FSPs is that, in the former, a number of the decisions about administrative activities related to direct client services are passed down to local jurisdictions, depending on the level of flexibility allowed by the State. It was therefore thought that in county-administered States, the survey of State officials would find a smaller number of reported administrative changes because the re-engineering efforts might occur at the local level, where staff were not being surveyed.

However, when the data were examined, this assumption was not validated. County-administered States were just as active as, and in some categories more active than, their State-administered counterparts. When States with county-administered FSPs were compared with States administering their programs at the State level as to the number of re-engineering efforts enacted since PRWORA, some interesting contrasts were noted. Figure 8 compares the number of reengineering efforts enacted by the county- and State-administered programs. As can be seen, 7 of the States with county-administered programs (54 percent) made 4 or more changes, while 12 States with State-administered programs (32 percent) made 4 or more changes. All of the States with county-administered programs made more than two changes.

When the States reporting different categories of re-engineering efforts were broken down by county-administered and State-administered programs, some variations were found (fig. 9). While the most frequent categories of change in both kinds of States were the same—tracking and accountability systems, program accessibility and certification systems, and conforming the TANF and FSP rules—the most common types of administrative changes among county-administered

Figure 9
Percentage of State- and county-administered States implementing re-engineering efforts as a result of welfare reform before FY 2000 by category of change¹



¹ State-administered refers to States whose FSP's are administered at the State level; in county-administered States, FSP responsibility has been given to the counties.

States (for 92 percent of the States) were changes in program accessibility and certification systems, while the most frequently reported administrative changes among State-administered programs (for 81 percent of the States) were changes to their client tracking and accountability systems.

When the types of changes planned for FY 2000 were examined (fig. 10), the county- and State-administered States had similar responses. For both kinds of programs, the most frequently reported planned change was to their program accessibility and certification systems—a program area that is being heavily stressed by FNS and the public to ensure FSP access for the working poor and those leaving the welfare rolls. In the latter case, the county-administered States reported planning additional changes in their program accessibility and certification systems, since the majority had made such changes prior to FY 2000. While 7 of the 13 States with county-administered programs (54 percent) made organizational structure changes prior to FY 2000, none were planning any changes of this type in FY 2000.

Do Differences Across States Relate to Caseload Size?

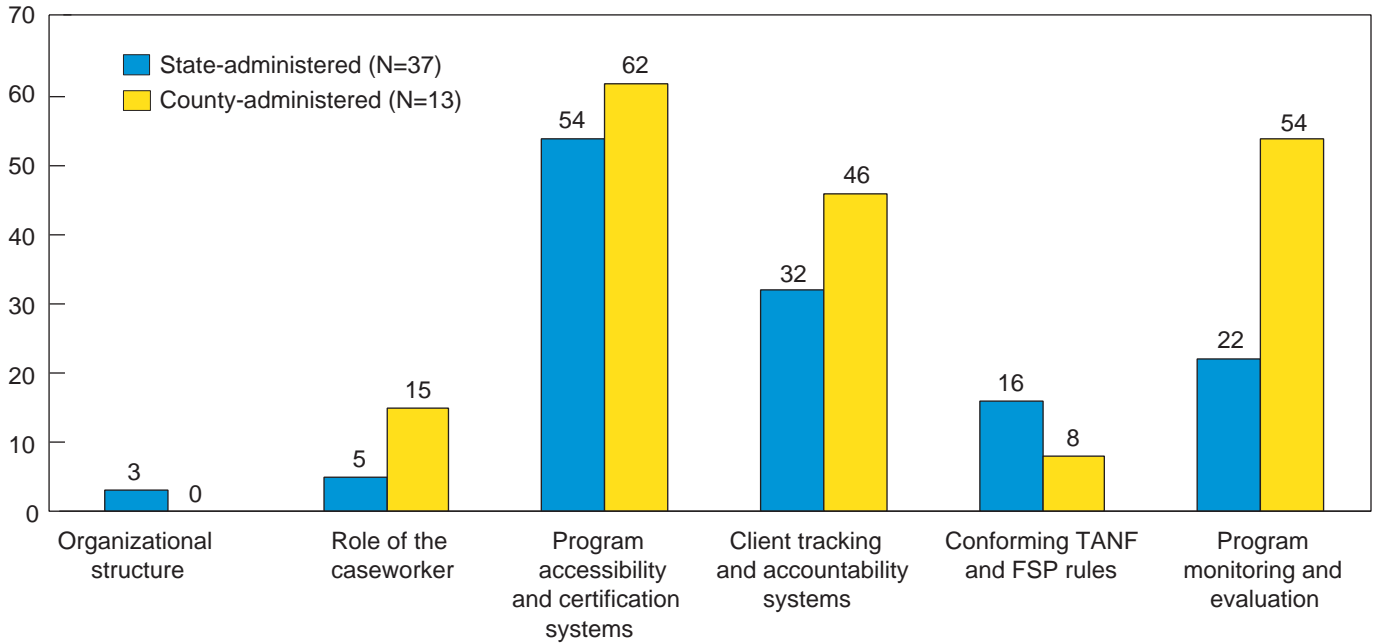
Another factor believed to influence the variability of State re-engineering efforts was the size of the State's food stamp caseload. For purposes of this study, States were divided into those with small, medium, and large FSPs, based upon their average monthly caseload in FY 1999, the latest fiscal year for which final FSP participation data were available. A small State was defined as having a caseload of 100,000 persons or less, and a medium-sized State as having a caseload of between 100,000 and 500,000. Large States had caseloads over 500,000 (Food and Nutrition Service 2000(b)). (See appendix table 4 for specific State groupings.)

A total of 13 States fit into the small category, while 25 States were considered medium-sized and 12 were defined as large. When comparing the variation in the number of administrative changes across States by caseload size, minimal differences were found (fig. 11). All of the States with medium and large caseloads had enacted two or more administrative changes through FY 1999, while 85 percent of the small States

Figure 10

Percentage of State- and county-administered States planning re-engineering efforts during FY 2000 by category of change¹

Percentage of States

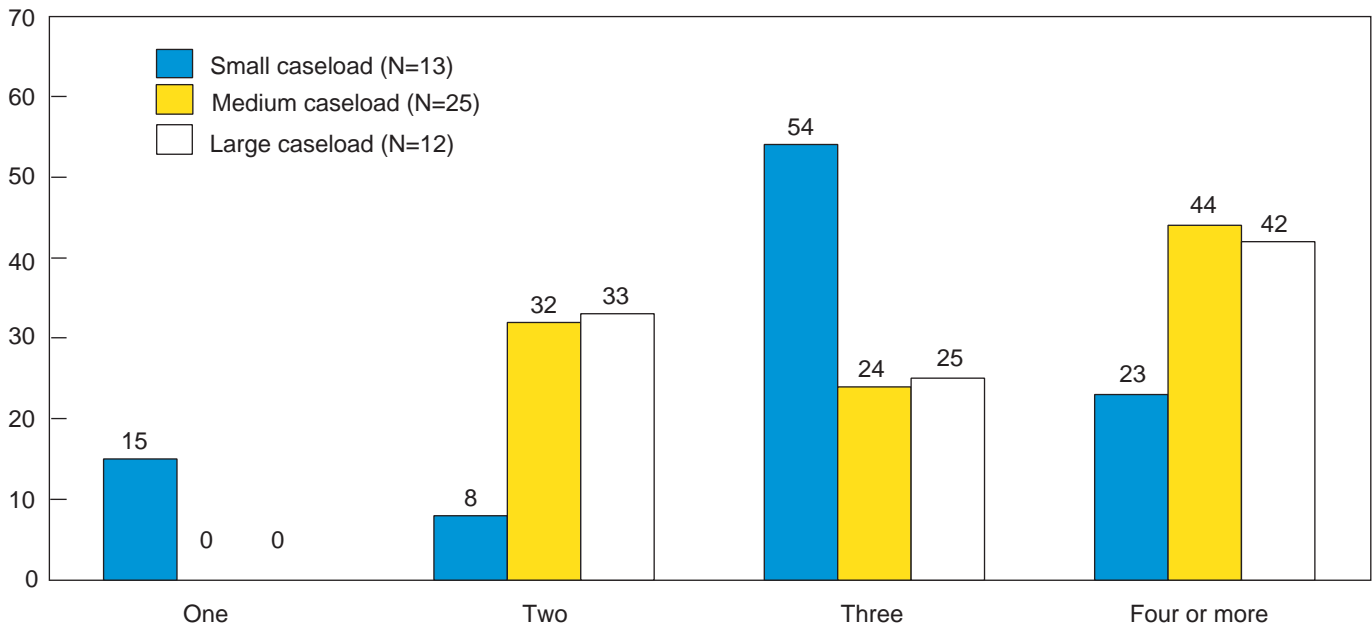


¹State-administered refers to States whose FSP's are administered at the State level; in county-administered States, FSP responsibility has been given to the counties.

Figure 11

Percentage of States implementing re-engineering efforts as a result of welfare reform before FY 2000 by number of category changes and by State caseload size

Percentage of States



had enacted changes in two or more categories. Seventy-seven percent of the small States had enacted changes in three or more categories, as compared with 68 percent of the medium States and 66 percent of the large States.

In contrast, there were some differences found by State caseload size in the type of administrative changes most frequently reported, as illustrated in fig. 12. All 13 States with small caseloads reported making changes in their client tracking and accountability systems prior to FY 1999. Among States with medium-sized food stamp caseloads, the most common re-engineering efforts were in program accessibility and certification systems, with 20 of 25 States (80 percent) noting changes in this category. The 12 States with large caseloads divided their preference, with 10 (83 percent) making changes in client tracking and accountability systems and the same percentage making changes in conforming their FSP to their TANF program.

States Reporting Variation in Administrative Changes for Rural Areas

In examining the activities States undertake to re-engineer their FSPs, one can not assume that the changes

in a particular category are the same across the State. For example, States might modify their re-engineering plans to accommodate the special needs of areas they consider rural. As part of this study, State officials were asked if they made different types of changes within their States based upon whether the program was providing services in a rural or an urban/suburban area. For example, accessibility issues may be greater in rural areas, which have limited transportation and long distances between clients and FSP offices. In addition, fewer staff may be available in rural areas, requiring adjustments in the role of the caseworker, such as creating generic caseworkers to serve all types of food stamp clients; conversely, the availability of a larger number of caseworkers in more urban areas may result in more specialization of caseworker activities.

For purposes of this study, States were not given a standardized definition of what constitutes a “rural” area, but were simply asked if different re-engineering changes were made based upon their own definitions of rural. A total of 18 States indicated that they implemented different types of re-engineering efforts based upon their perception of differing needs in rural areas of their State. The map in fig. 13 displays the States that decided to vary their re-engineering efforts in this way.

Figure 12
Percentage of States enacting re-engineering efforts as a result of welfare reform before FY 2000 by category of change and State caseload size

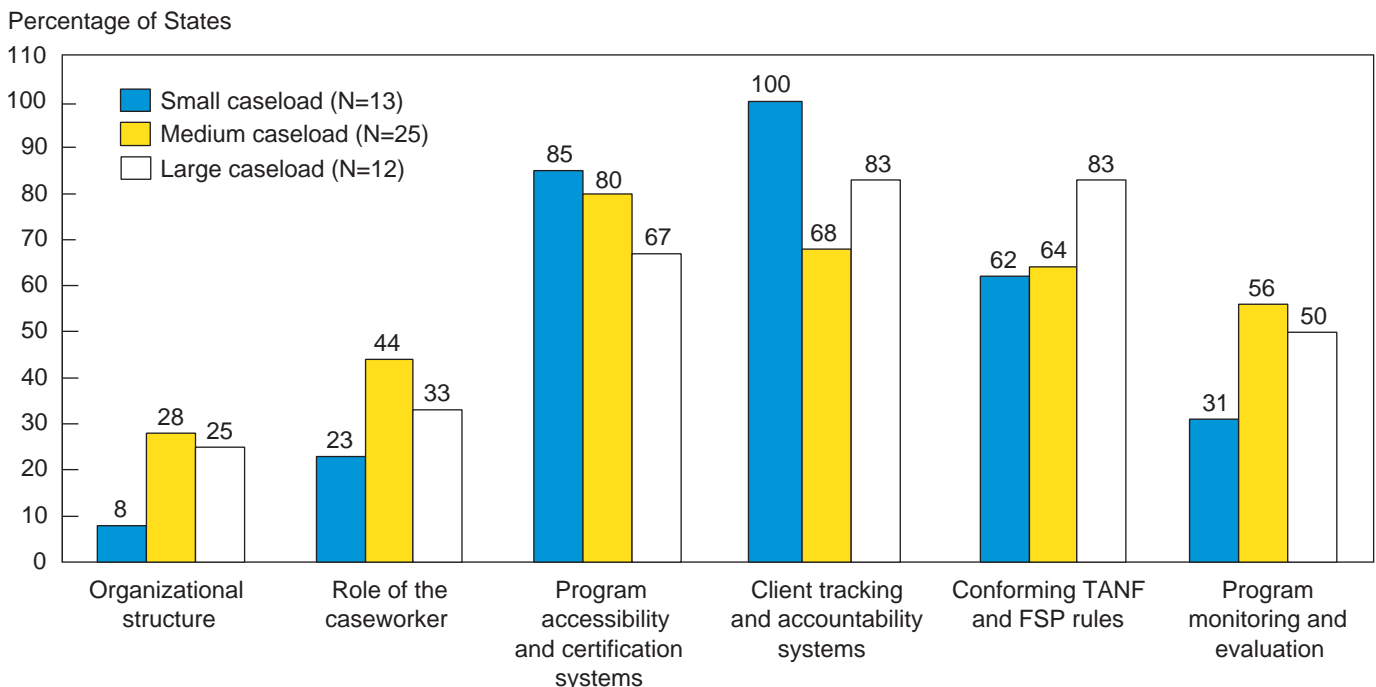
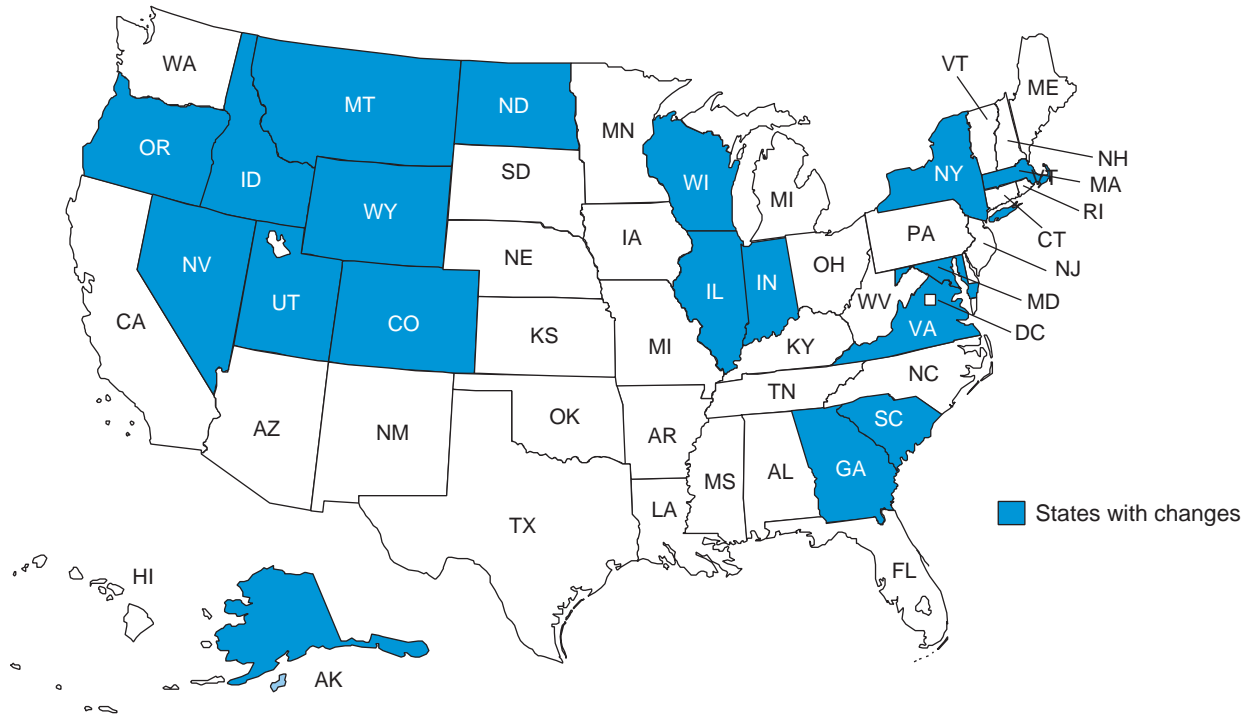


Figure 13

States making changes based on differing needs for urban and rural areas



Note: Delaware did not participate in the study.

States were specifically asked if they took different approaches in their rural areas when they implemented changes in the categories of program accessibility and certification systems or when they changed the role of the caseworkers serving food stamp clients. Nineteen States reported some variation between changes they made in rural versus nonrural areas, with 14 States reporting variation in the area of program accessibility and certification systems and 3 States reporting they had customized changes in the role of the food stamp caseworker for their rural areas.

This chapter has provided a general overview of the level of effort engaged in by States in re-engineering their FSPs as a result of welfare reform. While an examination into the categories of changes is necessary, it is important to note that the specific activities undertaken by States within each category may vary significantly. The next chapter provides an in-depth look at the specific administrative and program operations activities that States performed within the various re-engineering categories.