

**GAO**

Report to the Honorable  
Ernest J. Istook, Jr.,  
House of Representatives

---

November 2001

# MEANS-TESTED PROGRAMS

## Determining Financial Eligibility Is Cumbersome and Can Be Simplified



**G A O**

Accountability \* Integrity \* Reliability

---

---

# Contents

---

<b>Letter</b>		1
	Results in Brief	2
	Background	4
	Variations in Programs' Financial Eligibility Rules Stem Primarily From Federal Statutes and Regulations	13
	Variations in Financial Rules and Other Factors Contribute to Administrative Duplication and Client Burden	21
	Some Progress Has Been Made to Streamline or Coordinate Eligibility Determination Processes	27
	Conclusions	35
	Matter for Congressional Consideration	36
	Agency and Other Comments	36
<b>Appendix I</b>	<b>Scope and Methodology</b>	41
<b>Appendix II</b>	<b>Comments From the Office of Management and Budget</b>	44
<b>Appendix III</b>	<b>Comments From the Department of Agriculture</b>	46
<b>Appendix IV</b>	<b>Comments From the Department of Health and Human Services</b>	48
<b>Appendix V</b>	<b>Comments From the Department of Housing and Urban Development</b>	51
<b>Appendix VI</b>	<b>GAO Contacts and Staff Acknowledgments</b>	54
<b>Related GAO Products</b>		55

---

---

## Tables

Table 1: Means-Tested Programs With Expenditures of More Than a Billion Dollars, Fiscal Year 1998	6
Table 2: Program Expenditures by Type of Assistance, Fiscal Year 1998 7	
Table 3: Overview of the 11 Programs Examined in This Report	8
Table 4: Income Limits for Program Eligibility - Fiscal Year 2001	14
Table 5: Whose Income Is Counted in Determining Eligibility for Assistance - Fiscal Year 2001	16
Table 6: Amounts of Earned Income Disregarded in Determining Initial Program Eligibility or Benefit Levels - Fiscal Year 200117	
Table 7: Deductions for Child Care Expenses in Calculating the Income of Applicants - Fiscal Year 2001	18
Table 8: General Asset Limits and Vehicle Asset Rules	20
Table 9: Programs For Which Eligibility Is Determined Jointly	21
Table 10: Diverse Agencies Determine Eligibility for Means-Tested Programs	24
Table 11: Estimate of Federal Costs for Program Administration, Fiscal Year 1998	26

---

## Figure

Figure 1: Percentages of Families Receiving TANF Who Also Participate in Selected Other Programs	10
--	----

---

---

---

### Abbreviations

AFDC	Aid to Families With Dependent Children
CPS	Current Population Survey
CRS	Congressional Research Service
DCIS II	Delaware Client Information System II
FAMIS	Family Assistance Management Information System
FMV	fair market value
HHS	U.S. Department of Health and Human Services
HUD	U.S. Department of Housing and Urban Development
LIHEAP	Low-Income Home Energy Assistance Program
N-FOCUS	Nebraska-Family On-Line Client User System
OMB	Office of Management and Budget
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
SCHIP	State Children's Health Insurance Program
SIPP	Survey of Income and Program Participation
SSA	Social Security Administration
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children
USDA	U.S. Department of Agriculture



G A O

Accountability \* Integrity \* Reliability

United States General Accounting Office  
Washington, DC 20548

---

November 2, 2001

The Honorable Ernest J. Istook, Jr.  
House of Representatives

Dear Mr. Istook:

About 80 means-tested federal programs assisted low-income people at a cost of nearly \$400 billion in federal, state, and local funds in fiscal year 1998. These programs provide cash and noncash benefits and are restricted to families or individuals whose income falls below defined levels and who meet certain other eligibility criteria established for each program. Numerous federal departments and agencies, state and local offices, community-based organizations, and other entities are responsible for administering these programs. Authorized by different congressional committees at different points in time, these programs were created to meet the various needs of different groups of low-income people. However, when viewed as a whole, they have given rise to longstanding concerns that the nation's assistance programs for low-income families are too difficult and costly to administer and too complicated for families to navigate.

As you requested, we determined (1) the extent and sources of variation in financial eligibility rules among selected means-tested programs, (2) how the variation in these rules and other factors affect the administrative processes for determining eligibility, and (3) how federal, state, and local agencies have sought to simplify or coordinate eligibility determination processes. Our review focused on 11 programs that help meet families' and individuals' basic needs such as income, food, medical assistance, and housing. Low-income families and individuals often participate in several of these programs at the same time. Specifically, the 11 programs covered in our review are Temporary Assistance for Needy Families (TANF); Food Stamps; Medicaid; Child Care and Development Fund (Child Care); State Children's Health Insurance Program (SCHIP); Low-Income Home Energy Assistance Program (LIHEAP); Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); School Meals;<sup>1</sup> Housing Choice Voucher; Low Rent Public Housing; and Supplemental Security Income (SSI). These 11 programs represented over 70 percent of the \$400 billion

---

<sup>1</sup> Throughout this report, we refer to the School Meals program to include both free and/or reduced-price school breakfast and lunch.

---

total expenditures for means-tested federal programs in fiscal year 1998. To address the first objective, we analyzed the statutory and regulatory rules related to financial eligibility in each of the 11 programs. To address the second and third objectives, we interviewed federal agency officials and conducted site visits in five states: California, Delaware, Kentucky, Nebraska, and Utah. In selecting states, we sought to include those with a range of experiences related to welfare simplification or service integration initiatives and also include states with both state-supervised and county-administered welfare systems. Appendix I contains a detailed discussion of our scope and methodology.

---

## Results in Brief

Despite substantial overlap in the populations they serve, the 11 programs we reviewed vary significantly in their financial eligibility rules. In some cases, these variations reflect differences in program goals and purposes. At the most basic level, the dollar levels of the income limits—the maximum amounts of income an applicant can have and still be eligible for a program—vary across programs. Beyond this, there are differences related to detailed aspects of the income rules, such as whose income is counted and what types of income are counted or disregarded in either whole or part. For example, the Food Stamp program considers the income of the entire household, including children aged 18 and over who are not students, in calculating income; whereas several other programs either do not include children's income or disregard a certain amount of their income. Moreover, the financial eligibility rules in these programs also vary in other aspects, such as limits on the amount of assets that applicants can possess and provisions about which assets are counted or excluded. The primary sources of these variations are generally federal statutes and regulations, although for several programs such as TANF, Medicaid, and SCHIP states and localities have some flexibility in setting financial eligibility rules.

The variations and complexity of the federal financial eligibility rules, along with other factors, have contributed to processes that are often duplicative and cumbersome for both caseworkers and applicants. In spite of the variations in financial eligibility rules, the states we reviewed have established joint eligibility determination processes for some programs, ranging from three programs in Kentucky to six in Nebraska. Applicants can complete a single application form for these programs, and a single caseworker determines eligibility and benefit levels. Nonetheless, state and local officials reported that the varying rules in these programs complicated the work required of caseworkers to determine eligibility and also contributed to errors. Among the areas of financial rules they cited as particularly cumbersome were those associated with household

---

composition, income limits, and countable and excludable income—especially in the Food Stamp program. With regard to the other programs in these states, eligibility is generally determined separately for each program, which reflects the multiplicity of agencies that administer programs at the local level. For example, public housing agencies generally separately administer the housing programs; the Social Security Administration administers SSI; public health agencies administer WIC; and school districts administer the School Meals programs. A family in the states we visited that wanted to apply for all 11 programs would need to complete anywhere from 6 to 8 applications and visit up to six offices. These separate eligibility processes also result in considerable duplication of administrative activities because caseworkers in different offices collect and document much of the same personal and financial information about applicants. While national data generally are not available on the specific costs of determining eligibility and calculating benefit levels for the 11 programs we reviewed, evidence suggests that these costs are substantial—for example, over \$1 billion annually for the Food Stamp program alone.

Overall, federal, state, and local entities have made limited progress in simplifying or coordinating eligibility determination processes. States realigned some of the financial rules, yet this approach has been used to only a limited extent. For example, Nebraska and Delaware used their flexibility under TANF to change aspects of their TANF financial eligibility rules to align them with those in other programs such as Medicaid or Food Stamps. Another approach makes use of computer systems as a tool to establish joint eligibility determination processes that a single caseworker can administer. While all of the states we reviewed have used this approach to varying extents, in some cases they reported limitations, such as the burden placed on a caseworker of having to master complex eligibility rules in too many programs even with computer assistance. Multiple obstacles confront efforts to make further progress in simplifying or better coordinating eligibility determination processes, such as restrictive federal program statutes and regulations, and the potential for increased program costs as a result of changing the financial eligibility rules.

To better understand how to reduce the obstacles to simplification and coordination, we suggest that the Congress consider authorizing demonstration projects to simplify and coordinate eligibility determination processes for means-tested programs. The Office of Management and Budget and the Departments of Agriculture, Health and Human Services, and Housing and Urban Development provided written comments on a draft of this report and generally agreed with the report's findings. The

---

draft version of the report contained a recommendation to the Director of OMB to develop legislative proposals that would authorize state and local demonstration projects designed to simplify and coordinate eligibility processes for means-tested federal programs. In its comments, OMB indicated its support for program simplification but did not indicate that it would implement the recommendation. OMB acknowledged that demonstration projects could be helpful in achieving sweeping standardization across programs. OMB also expressed concern about the implications of program simplification on program costs and said that demonstration projects may not be necessary for states to pursue many simplification strategies, such as in programs in which many states have not fully utilized the flexibility that they have. We believe that authorizing demonstration projects could facilitate progress in this area by providing much-needed information about the effects of various changes in financial eligibility rules and processes on administrative and program costs, and access to programs by individuals and families. The agencies' comments are reprinted in appendix II through appendix V.

---

## Background

Over time, the Congress has established about 80 separate programs to provide cash and noncash assistance to low-income individuals and families. Means-tested programs are restricted to families or individuals who meet specified financial requirements and certain other eligibility criteria established for each program. The financial requirements restrict eligibility to families and individuals whose income falls below defined levels, and in some cases, whose assets—such as bank accounts and the value of automobiles—also fall below defined levels. Nonfinancial requirements restrict eligibility to specified categories of beneficiaries, such as pregnant women, children, or individuals with disabilities.

---

## Means-Tested Programs Provide Varied Forms of Assistance

Federal, state, and local governments expended a combined total of nearly \$400 billion on the approximately 80 means-tested programs in fiscal year 1998.<sup>2</sup> Medicaid accounted for 45 percent of the expenditures.<sup>3</sup> Twenty-seven of the 80 programs, representing 97 percent of the total

---

<sup>2</sup> The 1998 data, compiled by the Congressional Research Service (CRS), are the most current available on expenditures by all levels of government for the full range of means-tested programs. CRS periodically updates its report on means-tested programs and is currently preparing a report on expenditures for fiscal years 1999-2000.

<sup>3</sup> In fiscal year 1998, 71 percent of Medicaid expenditures were for aged, blind, and disabled recipients. The remaining expenditures were for dependent children under 21, adults in families with dependent children, and others.



---

expenditures, had expenditures of over a billion dollars each (see table 1). Means-tested programs provide assistance in eight areas of need: (1) cash assistance; (2) medical benefits; (3) food and nutrition; (4) housing; (5) education; (6) other services, such as child care; (7) jobs and training; and (8) energy aid.

**Table 1: Means-Tested Programs With Expenditures of More Than a Billion Dollars, Fiscal Year 1998**

Dollars in billions

<b>Program</b>	<b>Federal</b>	<b>State/local</b>	<b>Total</b>
Medicaid	\$100.2	\$77.2	\$177.4
SSI	29.7	3.0	32.7
Earned Income Tax Credit (refund)	25.3	0	25.3
Food Stamp	18.9	2.0	20.9
TANF	11.3	10.2	21.5
Housing Choice Voucher	16.1	0	16.1
Medical Care for Veterans (no service-connected disability)	9.6	0	9.6
Federal Pell Grants	6.3	0	6.3
Foster Care	3.7	3.3	7.0
School Meals Program	6.5	0.4	6.9
Title XX Social Services	2.3	3.6	5.9
Head Start	4.3	1.1	5.4
General Assistance (medical component)	0	5.0	5.0
Child Care and Development Fund	3.1	1.6	4.7
HOME (Home investment partnerships)	1.5	2.6	4.1
Low-rent Public Housing	3.9	0	3.9
WIC	3.9	0	3.9
Rural Housing Loans (Section 502)	3.8	0	3.8
Subsidized Federal Stafford and Stafford/Ford loans	3.8	0	3.8
Veterans Pensions	3.1	0	3.1
General Assistance (cash and nonmedical)	0	2.6	2.6
Indian Health Services	2.1	0	2.1
Child and Adult Care Food Program	1.4	0	1.4
Adoption Assistance	0.7	0.6	1.3
Job Corps	1.2	0	1.2
LIHEAP (home energy assistance)	1.1	0	1.1
Maternal and Child Health Services Block Grant	0.7	0.4	1.1
<b>27-program total</b>	<b>\$264.5</b>	<b>\$113.6</b>	<b>\$378.1</b>

Sources: Congressional Research Service, *Cash and Noncash Benefits for Persons With Limited Income: Eligibility Rules, Recipient and Expenditure Data, FY 1996-FY 1998* (Washington, D.C.: CRS, Dec. 1999). The Social Security Administration (SSA) provided the figure for state/local SSI expenditures and the Department of Agriculture (USDA) provided the figures for federal Food Stamp and state/local School Meals program expenditures.

Ten of the 11 programs on which our review focuses accounted for 74 percent of the total expenditures for means-tested federal programs in

fiscal year 1998 (see table 2).<sup>4</sup> Table 3 provides an overview of the populations targeted by these programs and the types of assistance that they provide.

**Table 2: Program Expenditures by Type of Assistance, Fiscal Year 1998**

Dollars in billions

Type of assistance/program	Federal	State/local	Total
<b>Income Support</b>			
SSI	\$29.7	\$3.0	\$32.7
TANF	11.3	10.2	21.5
<b>Medical Care</b>			
Medicaid	100.2	77.2	177.4
State Children's Health Insurance Program <sup>a</sup>	<sup>b</sup>	<sup>b</sup>	<sup>b</sup>
<b>Food and Nutrition</b>			
Food Stamps	18.9	2.0	20.9
School Meals	6.5	0.4	6.9
WIC	3.9	0	3.9
<b>Housing</b>			
Housing Choice Voucher	16.1	0	16.1
Low-rent Public Housing	3.9	0	3.9
<b>Other services</b>			
Child Care and Development Fund	3.1	1.6	4.7
LIHEAP (home energy assistance)	1.1	0	1.1
<b>10-program total</b>	<b>\$194.7</b>	<b>\$94.4</b>	<b>\$289.1</b>

<sup>a</sup> Federal, state, and local expenditure information were not contained in the 1999 CRS report.

<sup>b</sup> Not applicable.

<sup>4</sup> SCHIP is the 11th program we reviewed. However, fiscal year 1998 was the first year that the SCHIP program was funded, and expenditure information was not included in CRS' 1999 report. In fiscal year 1998, \$4.3 billion was appropriated for SCHIP. See *Children's Health Insurance: SCHIP Enrollment and Expenditure Information* (GAO-01-993R, Jul. 25, 2001) for more information on SCHIP expenditures.

**Table 3: Overview of the 11 Programs Examined in This Report**

<b>Program</b>	<b>Description</b>
TANF	This block grant to states provides temporary assistance to needy families. In general, able-bodied TANF recipients, who receive cash assistance, must participate in work or work-related activities after receiving assistance for a maximum of 24 months, and there is a 5-year lifetime limit on federal assistance. Beyond work, work-related activities include education and training; job search; and participation in community service. States may also use a portion of TANF funds for child care services.
Food Stamps	The primary federal food assistance program that provides support to needy households and to those making the transition from welfare to work. It helps low-income households buy the food they need for a nutritionally adequate diet. The program provides participants with food coupons or electronic benefit transfer cards that can be used in authorized retail stores to purchase food items.
Medicaid	The largest program providing medical- and health-related services to America's poor and low-income people. Medicaid is jointly funded by the federal and state governments to assist states in providing medical assistance to individuals and families who fall into certain categories and have low incomes and resources. State Medicaid programs must provide certain benefits, such as physician services, inpatient and outpatient hospital services, and laboratory and x-ray services. In addition to the benefits that are federally mandated, states may offer optional services, such as dental, physical therapy, prescription drugs, and case management services. Medicaid also provides assistance to hospitals for the cost of uncompensated care.
Child Care and Development Fund	With this block grant, states develop and pay for child care programs for a broad population of low-income families, including those on welfare, in order to enable low-income parents to work. Within certain federal guidelines, states have discretion in deciding how these funds will support child care, who will be eligible, and what payment mechanism will be used.
SCHIP	This federal-state matching program expands health coverage to uninsured children from working families with incomes too high to qualify for Medicaid. States can use federal funds to expand coverage either through their existing Medicaid programs, through a separate state health insurance program, or through a combination of both.
LIHEAP	An energy assistance block grant program to assist low-income households in meeting the heating or cooling portion of their residential energy needs, LIHEAP funds can be used for the following types of energy assistance: heating, cooling, energy crisis intervention, and low-cost residential weatherization and other energy-related home repair. Program eligibility, types of assistance available, and benefit levels vary among LIHEAP programs.
WIC	This federal grant program serves low-income pregnant, postpartum, and breastfeeding women, infants, and children up to age 5 who are at nutritional risk because of a nutrition-related medical or dietary condition. The program provides nutritious foods, nutrition counseling, and referrals to health and other social services to participants at no charge.
School Meals	Includes school breakfast, lunch, and snack programs. More than 97,000 schools and institutions provide children with nutritionally balanced, low-cost or free breakfasts and/or lunches. Participating school districts and independent schools get varying levels of cash subsidies for each meal they serve, depending on the income category of the participating child's household. In return, the participating districts must offer free or reduced-price meals to children from eligible households. School districts and independent schools are also reimbursed for snacks served to children through age 18 in after-school educational or enrichment programs.
Housing Choice Voucher	This is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent and safe housing in the private market. Prospective tenants are free to choose any housing that meets the requirements of the program. Once a unit is located, the tenant signs a lease and agrees to pay at least 30 percent of their adjusted household income for rent and utilities.

---

Low-rent Public Housing	Public housing developments were established to provide decent, safe, and low-rent housing primarily for low-income families with children. Single persons who are elderly or handicapped are eligible on the same basis as families.
SSI	This federal income supplement program assists people who are age 65 or older, blind, or disabled, and who have limited income and resources. The program provides monthly cash payments to help those who are qualified meet basic needs for food, clothing, and shelter.

---

The 11 means-tested programs that we included in our review were enacted over time to serve various populations and achieve various objectives. For example, in 1937, the Public Housing program was created to provide adequate temporary shelter to families who could not afford housing; Medicaid, in 1965, to provide medical assistance for low-income families with children and aged, blind, and disabled individuals; and SCHIP, in 1997, to provide health insurance coverage to uninsured low-income children from families who do not qualify for Medicaid. In some cases, the unique financial rules that apply to a particular program may be related to the purpose of that program and reflect its goals or objectives. For other programs, this may not be the case and the differences in eligibility standards across programs may stem from decisions made at different times by different congressional committees or federal agencies.

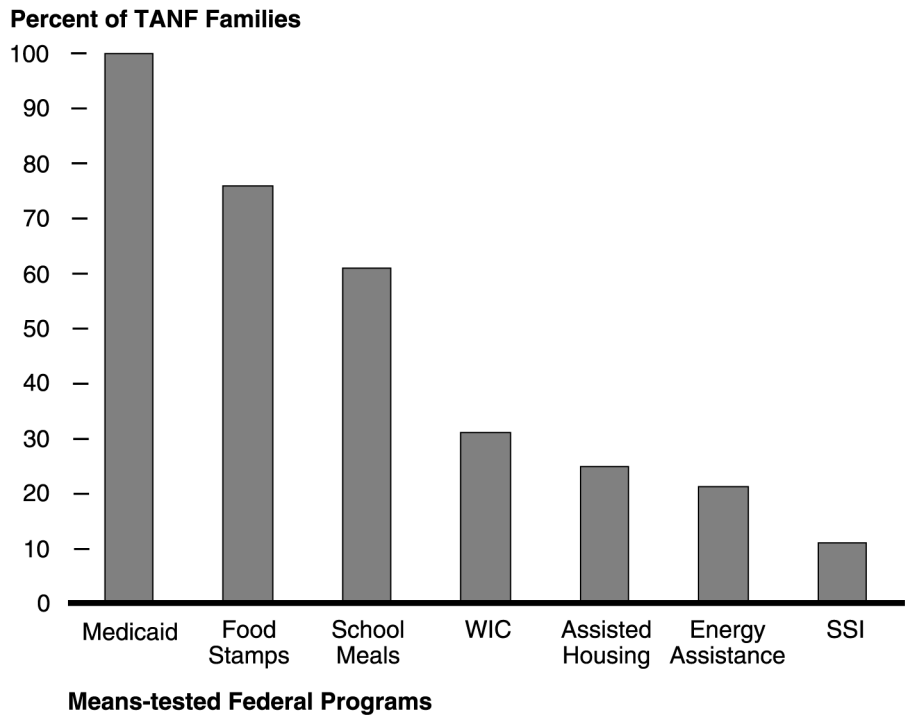
In addition to offering a wide variety of benefits and services, means-tested programs vary in the extent to which they guarantee that funds for services will be available. For some programs such as Food Stamps and SSI, federal funds are available to provide benefits to all eligible applicants. Other programs such as TANF and SCHIP have a fixed amount of federal funds available. Moreover, some of the programs require state and other nonfederal matching money (e.g., Medicaid and SCHIP), while others are fully funded with federal dollars (e.g., LIHEAP and WIC).

---

### Low-Income Families Receive Assistance From Multiple Programs

An individual low-income family is likely to be eligible for and participate in several means-tested programs. For example, as shown in figure 1, families receiving TANF generally also receive Medicaid, food stamps, and school meals. Smaller percentages of these families receive assisted housing, WIC, and LIHEAP.

**Figure 1: Percentages of Families Receiving TANF Who Also Participate in Selected Other Programs**



Note: The Current Population Survey (CPS) data for the School Meals program only include the lunch component.

Sources: All data, except for WIC and assisted housing, are from the March 2000 CPS. WIC data are from the Survey of Income and Program Participation, 1996 panel, wave 11 (information collected between Aug. and Nov. 1999). HUD provided the estimate of the percentage of TANF recipients receiving assisted housing.

## The Need to Simplify Eligibility Rules Has Been a Longstanding Concern

The need for welfare simplification has been voiced recurrently over a period of many years. While this concept covers a broad range of potential objectives, a key aspect has been the need to simplify financial eligibility rules. Means-tested programs have been established over time to meet the needs of various target populations. However, policy experts and researchers have concluded that the complexity and variations in programs' financial eligibility rules have had unanticipated but detrimental consequences for both program administration and family access to assistance. On the administrative side, they have argued that the financial eligibility rules have increased substantially the staff resources needed to determine eligibility and benefit levels, and thereby increased the costs of administering programs. With regard to families' access to programs, they maintained that the rules have often resulted in confusing families about

---

their eligibility for programs and contributed to the creation of a service delivery system with many separate entry points that is often difficult and burdensome for families to navigate.

Numerous studies and reports since the late 1960s have called for the overhaul or repair of the nation's assistance programs that serve low-income families and individuals. For example, a Presidential committee recommended in 1977 that a total effort to reform welfare was needed because of the inequities and administrative "chaos" created by a plethora of inconsistent and confusing programs. During the 1980s, we issued several reports on welfare simplification. One of these reports surveyed the states to identify what they viewed as the major obstacles to their efforts to achieve service integration. Of the 25 obstacles identified, the one cited most frequently (42 states) was that different programs use different financial eligibility requirements.<sup>5</sup> In 1991, the National Commission for Employment Policy recommended that agencies administering public assistance programs should develop a common framework for streamlining eligibility requirements, formulating standard definitions, and easing administrative and documentation requirements.<sup>6</sup>

In 1990, the Congress authorized the creation of the Welfare Simplification and Coordination Advisory Committee to examine four major assistance programs: Food Stamps, Aid to Families with Dependent Children, Medicaid, and housing assistance programs. The Congress mandated the committee to identify barriers to participation in assistance programs and the reasons for those barriers. In June 1993, the committee recommended that the numerous programs that currently serve needy families be replaced with a single family-focused, client-oriented, comprehensive program.<sup>7</sup> Recognizing that it would take time to implement its primary recommendation, the Commission made 14 interim recommendations to the Congress, including the following:

---

<sup>5</sup> *Welfare Simplification: States' Views on Coordinating Services for Low-Income Families* (GAO/HRD-87-110FS, Jul. 29, 1987).

<sup>6</sup> *Coordinating Federal Assistance Programs for the Economically Disadvantaged: Recommendations and Background Materials*, Special Report No. 31, National Commission for Employment Policy, October 1991.

<sup>7</sup> *Time for A Change, Remaking the Nation's Welfare System*, Report of the Welfare Simplification and Advisory Committee, June 1993.

- 
- Form a work group of the chairs of the relevant congressional committees to ensure that all legislative and oversight activities involving public assistance programs are coordinated.
  - Establish uniform rules and definitions to be used by all needs-based programs in making their eligibility determinations.
  - Streamline the verification process.
  - Permit the sharing of client information among agencies to streamline eligibility determination processes and reduce duplication of related activities.

In 1995, the Institute for Educational Leadership, based on its examination of the executive and legislative structures that federal means-tested programs are built upon, urged the administration to create a Family Council.<sup>8</sup> One of the stated goals of such a council was to have been proposing changes to eligibility requirements, definitions, financing and administrative requirements, data collection and reporting requirements, and performance standards that were inconsistent, incoherent, and confusing. Moreover, in a 1995 report to the Congress, we concluded, in part, that the inefficient welfare system is increasingly cumbersome for program administrators to manage and difficult for eligible clients to access.<sup>9</sup>

Just as the need for simplification of financial eligibility rules has been acknowledged, there has also been a general recognition that achieving substantial improvements in this area is exceptionally difficult. For example, implementing systematic changes to the federal rules for human service programs can be challenging because jurisdiction for these programs is spread among numerous congressional committees and federal agencies.

---

<sup>8</sup> *Who Controls Major Federal Programs for Children & Families - Rube Goldberg Revisited*, The Policy Exchange, The Institute for Educational Leadership, 1995.

<sup>9</sup> *Welfare Programs: Opportunities to Consolidate and Increase Program Efficiencies* (GAO/HEHS-95-139, May 31, 1995).



---

## Variations in Programs' Financial Eligibility Rules Stem Primarily From Federal Statutes and Regulations

Substantial variations exist in the financial eligibility rules across selected means-tested federal programs. The primary sources of these variations are generally at the federal level, although for several programs such as TANF and Medicaid states and localities have some flexibility in setting financial eligibility rules. Variations exist among the programs in the financial rules regarding the types and amounts of income limits. Differences also exist among these programs with regard to whose income is counted, what income is counted or excluded, and whether certain expenses—such as child care costs—are deducted in calculating income. In addition to income tests, programs impose different limits on the assets that an individual or family may hold in order to receive benefits. Asset tests are further complicated because of the differences in how the equity in vehicles is treated when determining assets.

---

## Rules About Types and Amounts of Income Limits Vary Across Programs

The first and most basic difference among programs is the variation in type of income limits used for determining program eligibility. Income limits for most of the 11 programs reviewed used a percentage of the federal poverty guideline or an area's median income. For example, the School Meals program uses a percentage of the poverty guideline to set benefit eligibility while the housing programs use percentage of area median income to determine eligibility. The programs not only differed in the type of income limit but also in the actual level of income. For example, the maximum allowable gross monthly income for food stamps for a family of three is \$1,585 nationwide, whereas, the maximum allowable gross monthly income for subsidized child care—which is based on state median income—is \$4,494 in the state of Connecticut (the state with the highest median income). For all 11 programs except TANF, federal laws and regulations have set some income limit. The most common type of income limit used among these programs is some percentage multiple of the federal poverty guideline, updated annually in the *Federal Register* by the Department of Health and Human Services (HHS).<sup>10</sup> However, the percentage of the guideline used varies among programs. (See table 4 for a comparison of the type of limits used among the 11 programs.)

---

<sup>10</sup> The poverty guidelines are updated annually in the *Federal Register* by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2). They are an administrative version of the federal government's official poverty thresholds used by the Bureau of the Census to prepare its statistical estimates on the number of persons in poverty. A single guideline is published annually for the 48 contiguous states and the District of Columbia, and separate guidelines are issued for Alaska and Hawaii. These guidelines are to be used for farm and nonfarm families and aged and nonaged units.

**Table 4: Income Limits for Program Eligibility - Fiscal Year 2001**

Program	Federally imposed or state option	Income limit based on	
		Federal poverty guideline	Other
TANF	State option		States set their own income limits
Food Stamps	Federal	130% of guideline – limit on gross Income (not applicable to households with elderly or disabled members) 100% of guideline – limit on net income	
Medicaid	Federal w/state option	Federal income limits for children and pregnant women range from 100% to 185%, depending on age Income limits for adults, aged, and disabled vary by state	
Child Care and Development Fund	Federal w/state option		No more than 85% of state median income <sup>a</sup>
SCHIP	Federal w/state option	Above Medicaid eligibility and up to either 200% of federal poverty level or 50 percentage points over Medicaid eligibility threshold at time SCHIP was created <sup>b</sup> , whichever is greater	
LIHEAP	Federal w/state option	110% of guideline as floor 150% of guideline as ceiling or HHS state median income 60% (whichever is higher)	
WIC	Federal w/state option	Either 185% of guideline (reduced-price school meals limit) or state or local free or reduced-price health care criteria if between 100% and 185% of federal poverty guideline	
School Meals	Federal	130% of guideline - free meals 130% - 185% of guideline - reduced price meals	
Housing Choice Voucher	Federal		HUD area median family income <sup>a</sup> <ul style="list-style-type: none"> <li>families with less than 80% of area median income are low income</li> <li>families with less than 50% of area median income are very low income</li> </ul>
Low-rent Public Housing	Federal		HUD area median family income <sup>a</sup> <ul style="list-style-type: none"> <li>families with less than 80% of area median income are low income</li> <li>families with less than 50% of area median income are very low income</li> </ul>
SSI	Federal		Fixed dollar amount

Note: As of September 30, 2001, 17 year olds with family incomes less than or equal to the federal poverty level will be eligible for Medicaid. By September 30, 2002, mandatory Medicaid eligibility will increase to cover children through age 18 with incomes less than or equal to the federal poverty level.

---

<sup>a</sup> Housing, LIHEAP, and Child Care use a percentage of the state or area median income as an income limit. The Department of Housing and Urban Development (HUD) calculates metropolitan and nonmetropolitan area median income levels as well as various other limits and distributes them to public housing agencies. Although states are not required to use the information, HHS calculates median income by state and provides them for the LIHEAP and Child Care programs. SSI legislation and regulation provide a set dollar amount that acts as the upper-income level for a program applicant.

<sup>b</sup> Some states extend the income limit beyond 200 percent of the federal poverty level by using income disregards. For example, in New Jersey, the income limit for eligibility is set at 350 percent of the federal poverty level.

Programs also vary in setting the income limits that are used to determine eligibility. While some of the programs provide states with options in setting income limits others do not. For example, LIHEAP and WIC provide states the option of choosing between two types of income limits. In the case of TANF, states are given full discretion in how they establish eligibility, including choosing both the type and level for their income limit. For Medicaid, while the federal government requires that states provide Medicaid to individuals who fall into certain categories and whose income and resources fall below certain limits, states may, in some circumstances, set more generous income limits and create different categories so that additional individuals may receive coverage.<sup>11</sup> In addition, in some instances, states are given options to set income limits by the federal statute or regulation. For example, while the law sets the maximum income limit for child care funds at 85 percent of a state's median income, several states have set their limits far below the allowable federal limit.

---

## Whose Income Is Counted, What Income Is Excluded, and How Expenses Are Treated Vary by Program

Whose income is counted and whether any exclusions or deductions are made can affect a family's income eligibility for the different programs. In general, the programs varied in whose income is counted in determining eligibility. There is no single definition of "family" or "household" used by means-tested federal programs. Federal rules generally govern whose income should be used to determine eligibility. In some programs, the definition of the household unit reflects the program's service focus, and in these instances the income of people with whom the applicant shares certain expenses are included in the calculation. The LIHEAP program, for example, defines household as members purchasing energy together. Similarly, the Food Stamp statute identifies the household as the income

---

<sup>11</sup> For Medicaid, over 25 different eligibility categories are identified in the federal statute, which allow states to receive federal matching funds (*The Kaiser Commission on Medicaid & the Uninsured- Medicaid Eligibility for Families and Children*, September 1998, Part 2, p.1).

unit and defines a household as people who purchase food and prepare meals together.<sup>12</sup> Certain programs provide states with some discretion in defining a family. For example, the SCHIP regulation identifies the family as the income unit but allows the states to decide how that should be defined. Regulations for the Low-rent Public Housing and Housing Choice Voucher programs set forth some examples of families but allow public housing agencies to determine if any other group of persons qualify as an eligible family. Table 5 summarizes household unit definitions for each of the 11 programs.

**Table 5: Whose Income Is Counted in Determining Eligibility for Assistance - Fiscal Year 2001**

<b>Program</b>	<b>Definition of household unit whose income is counted</b>
TANF	"Family"- which generally includes only dependent children, their siblings, and their parents or other caretaker relatives as the eligibility unit.
Food Stamps	Persons living together who purchase food and prepare meals together for home consumption (including children up to 21).
Medicaid	Based on AFDC <sup>a</sup> definitions. States have flexibility to define what constitutes a family or household and to link income among family members.
Child Care and Development Fund	Family (with a child under age 13) whose income does not exceed 85% of state median and in which the parent or parents is/are working or attending a job training or educational program. States may also serve children in need of protective services.
SCHIP	States have flexibility to define what constitutes a family (and some use the same definitions as set forth in their Medicaid state plan).
LIHEAP	Individual or group of individuals who are living together as one economic unit for whom residential energy is commonly purchased.
WIC	A group of related or unrelated individuals who live together, although not necessarily, as an economic unit and share income and resources. This includes, but is not limited to pregnant women, children under 5, mothers up to 6 months after childbirth, and nursing mothers up to 1 year after childbirth at nutritional risk.
School Meals	A group of related or unrelated individuals living as an economic unit and who share housing and significant income and/or expenses of its members.
Housing Choice Voucher	Family meaning two or more related persons, single persons at least 62 and younger single persons who are disabled, handicapped, or displaced by government action or natural disaster.
Low-Rent Public Housing	Family meaning two or more related persons, single persons at least 62 and younger single persons who are disabled, handicapped or displaced by government action or natural disaster.
SSI	Individual who is blind or disabled, or over 65, with other citizenship or residency requirements possible. If spouse living in same household and not eligible, that individual's income is considered. If under 18 and living in the parent(s) household, parent(s) income considered.

<sup>a</sup> In 1996, the Congress replaced the Aid to Families with Dependent Children (AFDC) entitlement program with TANF. However, Medicaid eligibility for children and families is still based upon AFDC standards and methodologies.

<sup>12</sup> The statute further provides that parents and their children 21 years of age or under, as well as foster parents with children under 18 who live together (whether or not they prepare meals together), be considered households.

Programs also differ in how they treat earned income for the purposes of eligibility determination. Those programs that emphasize a transition to economic self-sufficiency sometimes treat earned income favorably for program eligibility purposes to provide an incentive for clients to continue to work. In TANF, for example, almost all states disregard some income; that is, they allow TANF recipients to earn a given amount of their earned income either as a percentage of earnings (between 20 and 50 percent), or a set dollar amount (between \$90 and \$250) or both, without any reduction in their benefits. In Medicaid, while some states have the same disregards used in TANF, other states have more generous disregards. See table 6 for the earned income disregards used by various programs.

**Table 6: Amounts of Earned Income Disregarded in Determining Initial Program Eligibility or Benefit Levels - Fiscal Year 2001**

<b>Program</b>	<b>Federally imposed provision or state option</b>	<b>Amount disregarded</b>
TANF	State option	Varies by state.
Food Stamps	Federal	\$134 per household per month plus 20% of earned income and up to five additional deductions depending on individual circumstances.
Medicaid	State option <sup>a</sup>	Varies by state.
Child Care and Development Fund	State option	
SCHIP	State option	
LIHEAP	State option	
WIC	None	None
School Meals	None	None
Housing Choice Voucher	Federal	\$480 per dependent, \$400 for elderly annually; income of minors, certain unreimbursed expenses over 3% of annual income.
Low-rent Public Housing	Federal	\$480 per dependent, \$400 for elderly annually; income of minors, certain unreimbursed expenses over 3% of annual income. Other optional deductions.
SSI	Federal	\$20 per month of income and \$65 per month of earnings for recipients plus one-half of remaining earnings.

<sup>a</sup>The income and resource methodologies should be no more restrictive, and may be less restrictive, than those in the AFDC state plan.

In calculating applicants' income levels to determine eligibility, some programs also have provisions to deduct certain types of expenses. These deductions include allowances for certain medical, shelter, or child care

expenses of applicants. In other programs, no deductions or exclusions may apply. Some states have the same child care deductions in their TANF and Medicaid programs. Housing Choice Voucher and Low-rent Public Housing programs share many but not all of the same rules and regulations. Both programs have a child care deduction for children under 13 and an adult dependent care deduction for expenses over 3 percent of a family's income. Table 7 illustrates programs' different handling of payments for child care as a deduction from income.

**Table 7: Deductions for Child Care Expenses in Calculating the Income of Applicants - Fiscal Year 2001**

<b>Program</b>	<b>Child care deductions</b>
TANF	Some states do not deduct any. Some treat deductions the same as Medicaid.
Food Stamps	Up to \$200 a month for children under 2 years of age, up to \$175 a month for other dependents.
Medicaid	Uses those in AFDC state plan (up to \$200 a month for children under 2 years of age, \$175 a month for other dependents), unless a less restrictive methodology has been developed.
Child Care and Development Fund	State option. States could choose to deduct out-of-pocket child care expenses
SCHIP	State option
LIHEAP	Some states may have some deductions.
WIC	None
School Meals	None
Housing Choice Voucher	Reasonable child care assistance costs deducted for children under age 13.
Low-rent Public Housing	Reasonable child care assistance costs deducted for children under age 13.
SSI	None

### Programs Also Vary in Rules About Limits on Assets

While several programs have specific rules regarding assets and set limits on the amount of certain assets that clients can hold, most programs have no restrictions on assets at all. Assets are generally defined to include cash held in checking and savings accounts, individual retirement accounts, 401Ks, and other accounts that can be readily transferred into cash. Federal rules and regulations set assets limits for several programs, but states do have discretion in certain cases. Vehicle asset rules exist in some of the 11 programs and these rules vary, not only across programs, but across states as well. In some programs, a vehicle used to access work may be disregarded; in other programs, a certain portion of the value of the vehicle may be disregarded. For example, in the SSI program, the first \$4,500 in current market value is excluded. If it is used for employment or

---

daily activities, used to obtain medical treatment, or has been modified for use by or for transportation of a handicapped person, the vehicle's value is completely excluded. The vehicle asset test for food stamps is set at \$4,650. However, a recent change allows states to apply their TANF vehicle asset test for food stamp eligibility and benefit determination, as long it is at least as generous as the Food Stamp rule. For TANF, many states exclude the entire value of one vehicle; one state excludes the value of all vehicles, and one state has no asset test at all. In states that impose a vehicle asset test for TANF, three states (Louisiana, Oregon, and Wisconsin) allow up to \$10,000 in equity value and one state (Wyoming) disregards up to \$12,000 in trade-in value. Table 8 displays the general assets limits as well as the vehicle asset rules, if any.

**Table 8: General Asset Limits and Vehicle Asset Rules**

<b>Program</b>	<b>Federal limits on assets</b>	<b>State-established limits on assets</b>	<b>Treatment of vehicles</b>
TANF		State option (Range is from \$1,000-10,000)	State option – Most states disregard value up to \$4,650 or more up to value of one vehicle
Food Stamps	After exclusions: \$2,000 non-elderly \$3,000 elderly		Federal – Certain vehicles are excluded in their entirety. If not excluded, all but \$4,650 of the fair market value (FMV) of one licensed vehicle for each adult is counted toward the asset limit and additional vehicles are counted at the higher of their equity or their excess FMV over \$4,650. States may substitute TANF rules as of 7/01/01.
Medicaid	For families and children, can be no more restrictive than former AFDC rules.	Varies for some categories. States have the option to raise the limit or eliminate the asset test entirely.	State option – Many states disregard value of one vehicle up to \$4,650 or one vehicle.
Child Care and Development Fund		State option	None
SCHIP	None	State option	State option
LIHEAP		State option	None
WIC	None	None	None
School Meals	None	None	None
Housing Choice Voucher	No explicit limit but value of net family assets over \$5,000 computed and multiplied by passbook rate and counted as income		None
Low-rent Public Housing	No explicit limit but value of net family assets over \$5,000 computed and multiplied by passbook rate and counted as income		None
SSI	\$2,000 individual \$3,000 couple — after up to 23 various exclusions		Federal: The first \$4,500 in market value or full value if needed for employment or for use by handicapped person.



## Variations in Financial Rules and Other Factors Contribute to Administrative Duplication and Client Burden

Variations in financial eligibility rules and the multiplicity of agencies that administer programs at the state and local level have contributed to the formation of administrative processes that involve substantial complexity and duplication of staff efforts. In spite of the variations in financial eligibility rules, the states we reviewed have established joint eligibility determination processes for certain programs. While the processes for determining eligibility were coordinated for selected programs, state and local staff reported that the variations and complexities of certain financial rules in these programs created considerable difficulties in determining eligibility and calculating benefit levels. With regard to the other programs in these states, eligibility is determined separately for each program. As a result, applicants must visit multiple offices and repeatedly provide much of the same information to apply for assistance from these other programs. While data generally are not available on the specific costs of determining eligibility and calculating benefit levels for the 11 programs we reviewed, evidence suggests that these costs are substantial.

## Eligibility Is Determined Jointly for Some Programs, But Variations and Complexities of Financial Rules Complicate Caseworkers' Efforts

In all five states we visited, joint application processes have been established for some programs, ranging from three programs in Kentucky to six programs in Nebraska. These processes enable an applicant to complete a single application for multiple programs. A single caseworker can determine for which programs the client is eligible and then calculate benefit amounts. The caseworker uses one or more automated systems to perform these tasks and generally needs to input application information only once into the automated systems. As shown in table 9, all five states have joint eligibility determination processes for TANF, Food Stamps, and Medicaid. In Nebraska, applicants can complete a joint application for these three programs and Child Care, SCHIP, and LIHEAP. (How these states have used computer systems to establish joint application processes is discussed later in the report.)

**Table 9: Programs For Which Eligibility Is Determined Jointly**

Program/counties and states	Contra Costa, Placer, and San Mateo Counties, California	Kentucky	Utah	Delaware	Nebraska
TANF	X	X	X	X	X
Food Stamps	X	X	X	X	X
Medicaid	X	X	X	X	X
Child Care			X	X	X
SCHIP				X	X
LIHEAP					X

---

Even though the determination of eligibility in these programs has been coordinated, state and local officials told us that variations in these programs' financial eligibility rules, as well as the sheer complexity of the rules in certain programs, create substantial difficulties or added work for caseworkers in determining eligibility and benefit levels. With regard to variations in rules, the aspects most commonly cited as troublesome for caseworkers include differences in rules about household units, income limits, countable and excludable income, and asset limits. For example, differences in the definition of a household unit affect eligibility decisions because family members are treated differently across programs. In the Food Stamp program, a household generally consists of all the persons who purchase food and prepare meals together. In TANF, the family is the household unit (which states define) but generally includes only dependent children, their siblings, and the parents or other caretaker relatives. Consequently, a family member may be a part of a household in one program, treated as a separate family in another program, and ineligible for benefits in another program. If caseworkers do not establish the correct household for a program, errors in eligibility or benefit levels can result. State and local officials believed that establishing a uniform definition of household unit would reduce both the work required of caseworkers and the possibility of errors.

The problems encountered by caseworkers were attributed primarily to the complexity of the financial eligibility rules for certain programs, especially Food Stamps and Medicaid. State and local officials identified the following areas as especially difficult and error-prone in the Food Stamp program: (1) determining household composition, (2) determining whether the value of a household's assets is less than the maximum allowable, and (3) calculating the amount of a household's earned and unearned income and deductible expenses. For example, with regard to the last of these areas, Food Stamp rules require that net monthly income be calculated by allowing up to six possible deductions from gross monthly income. The six allowable deductions are a standard deduction, an earned income deduction, a dependent care deduction, a medical deduction, a child support deduction, and an excess shelter cost deduction.<sup>13</sup> Errors in calculating any one of these complicated deductions has resulted in inaccurate eligibility determinations or food stamp benefit levels. Such errors can lead to overpayments or underpayments to clients,

---

<sup>13</sup> A shelter deduction is allowed when monthly shelter costs exceed 50 percent of income after the other deductions have been allowed (unless the household has been allowed a homeless shelter deduction). The shelter deduction may not exceed a certain limit unless there is an elderly or disabled member in the household.

---

and delays in processing of applications and disbursement of benefits. Moreover, states with high error rates can receive federal sanctions or be required to take steps to improve program administration. Our prior work identified the complexity of Food Stamp eligibility rules as a problem and recommended that USDA develop and analyze options for simplifying the rules for determining eligibility and benefit levels.<sup>14</sup>

State officials also pointed to various complexities associated with determining eligibility for Medicaid. Unlike the TANF and Food Stamp programs, Medicaid eligibility encompasses many categories of individuals. Among the states we visited, the number of eligibility categories varied from approximately 30 in Nebraska to about 100 in California. The rules and methodologies used to determine eligibility vary for many of these categories. Medicaid eligibility rules often include different income thresholds for children of different ages in the same family, and different rules for determining the eligibility of parents. Consequently, multiple tests may be used in determining eligibility for each member of a family, resulting in different outcomes for members of the same family. State and local officials told us that because of the complex financial rules in Medicaid, caseworkers are often frustrated; it is also more difficult for caseworkers to learn their jobs and perform them well.

---

### Separate Processes for Determining Eligibility in Other Programs Result in Duplicative Activities by Caseworkers and Clients

While joint eligibility processes have been established for some programs in the states we reviewed, eligibility for other programs is generally determined separately. For example, as shown in table 10, public housing agencies administer housing programs and SSA administers SSI in each state. In addition, in general, health departments determine eligibility for WIC and SCHIP; school districts administer School Meals; and community-based organizations administer LIHEAP.

---

<sup>14</sup> *Food Stamp Program: States Seek to Reduce Payment Errors and Program Complexity* (GAO-01-272, Jan. 19, 2001).

**Table 10: Diverse Agencies Determine Eligibility for Means-Tested Programs**

<b>Program</b>	<b>Contra Costa, Placer, and San Mateo Counties, California</b>	<b>Kentucky</b>	<b>Utah</b>	<b>Delaware</b>	<b>Nebraska</b>
TANF Food Stamps Medicaid	County human services	State department for community based services	State workforce services <sup>b</sup>	State health & social services	State health & human services
Child Care and Development Fund SCHIP	Various county offices State insurance board	Community-based organization State health department	State workforce services State health department	State health & social services State health & social services	State health & human services State health & human services
LIHEAP WIC	Community-based organization County health department	Community-based organization Local health department	Community-based organization County health department	Community-based organization State health & social services	State health & human services Local public and private agencies
School Meals	School district	School district	School district	School district	School district
Housing Choice Voucher/Low-rent Public Housing SSI	Public housing agency <sup>a</sup> Social Security Administration	Public housing agency Social Security Administration	Public housing agency Social Security Administration	Public housing agency Social Security Administration	Public housing agency Social Security Administration

<sup>a</sup>In San Mateo County, the public housing agency, like the Human Services Agency, was under the jurisdiction of the San Mateo County board of supervisors; however, eligibility determinations were performed separately.

<sup>b</sup>In Utah, the department of health also processes Medicaid applications.

In some instances, caseworkers from different programs have been co-located at one location such as a one-stop center, but eligibility for these programs continues to be determined separately. For example, in San Mateo County, California, caseworkers for the Human Services Agency determine eligibility for the Food Stamp, Medicaid, TANF, Child Care, Low-rent Public Housing, and the Housing Choice Voucher programs. While one caseworker can assist clients in applying for TANF, Medicaid, and Food Stamps, these clients must meet separately with different caseworkers to apply for any of the other programs.

The separate eligibility processes in the states we reviewed involve a substantial duplication of administrative functions and impose demands on the time and resources of applicants. For example, a family in these states that wanted to apply for all 11 programs would need to complete anywhere from 6 to 8 applications and visit up to six offices. These applications require applicants to repeatedly provide much of the same information. Our analysis of the application forms in Utah showed that at least 90 percent of the information collected by the applications for each of the following programs—SCHIP, LIHEAP, WIC, and School Meals—was

---

collected on the joint application for TANF, Food Stamps, Medicaid, and Child Care. In fact, no new information was obtained on the SCHIP and LIHEAP applications. These separate applications generally ask for similar information collected on the joint application, such as household composition, employment status, and earned and unearned income.<sup>15</sup>

---

### Administrative Costs for Determining Eligibility Are Substantial, But Magnitude Is Unknown

The annual costs to the federal government for administering means-tested programs are significant and eligibility determination activities make up a substantial portion of these costs. The federal government provides funds to states and localities for administering most of the means-tested programs and the percentage of the administrative costs borne by the federal government varies by program.<sup>16</sup> The programs vary in the types of activities included in the administrative cost category. For example, in some cases these activities include outreach to potential program participants and service providers, preparation of program plans and budgets, travel, and quality assurance. As shown in table 11, in fiscal year 1998, the estimated federal costs for program administration in the 11 programs totaled over \$12.4 billion. This constitutes about 4 percent of total expenditures for benefits in these programs.<sup>17</sup>

---

<sup>15</sup> Only the SSI application requires substantially different information, such as much more detailed information regarding living arrangements, financial resources, and assets.

<sup>16</sup> For example, the federal government pays 100 percent of the administrative costs for the WIC program and about 50 percent of the administrative costs for the Food Stamp program.

<sup>17</sup> 1998 was the most recent year for which we were able to obtain administrative cost figures for all 11 programs.

**Table 11: Estimate of Federal Costs for Program Administration, Fiscal Year 1998**

(in millions)

<b>Program</b>	<b>Federal agency</b>	<b>Administrative cost estimate</b>
TANF	HHS	\$1,043
Food Stamps	USDA	1,931
Medicaid	HHS	3,800
Child Care and Development Fund	HHS	264
SCHIP	HHS	422
LIHEAP	HHS	100
WIC	USDA	350
School Meals	USDA	523
Housing Choice Voucher	HUD	842
Low-rent Public Housing	HUD	877
SSI	SSA	2,300
<b>Estimated total</b>		<b>\$12,452</b>

Sources: The figures for Child Care, SCHIP, LIHEAP, and WIC are GAO's estimates, and appendix I includes a description of the methodologies we used. The source of the estimates for the other programs is administrative cost data maintained by the cognizant federal agency. For the Food Stamp program, the figure represents actual administrative costs and was provided by USDA. Administrative cost figures for the housing programs were provided by HUD and based on actual expenditures for the four quarters ending March 31, 1999.

Federal agencies generally do not require states to report the costs for specific activities related to eligibility determinations. While data are not generally available on the specific costs of determining eligibility and calculating benefit levels for all of the 11 programs we reviewed, evidence suggests that these costs are substantial. In the Food Stamp program, for example, federal costs for eligibility determinations are in excess of \$1 billion annually and account for over half of overall administrative costs. Moreover, while the states we visited did not routinely collect data on the costs associated with determining eligibility, we obtained some information on these costs for certain programs in California. For one calendar quarter—the fourth-quarter of 2000—California was able to provide data on expenditures for eligibility determination activities: \$183 million in staff costs for Medicaid eligibility determinations, \$106 million for food stamps, and \$71 million for TANF, according to state officials. These figures include both federal and state costs.

---

## Some Progress Has Been Made to Streamline or Coordinate Eligibility Determination Processes

Overall, federal, state, and local entities have made limited progress in simplifying or coordinating eligibility determination processes. Several of the states we visited realigned some of the financial rules, yet this approach has been used to a limited extent. Another approach is to take advantage of the capabilities of computer systems. The state and localities we reviewed used computer systems both to establish joint eligibility determination processes for some programs and in a few cases to share data across agencies to coordinate eligibility determination processes. However, state and local officials in all five states said that much more should be done to simplify the financial eligibility rules and eligibility determination processes across programs but cited various obstacles to achieving further progress.

---

## States Have Used Federal Flexibility in Some Instances to Realign Financial Eligibility Rules Across Programs

In some cases, states have used the flexibility allowed under federal law to simplify or realign their financial eligibility rules. This has occurred in at least three ways. First, some states have used options established in federal law to extend eligibility automatically for one program based on an applicant's participation in another means-tested program—a provision referred to as “categorical eligibility.” Second, at least one state has attempted to use a federally established option to create a Simplified Food Stamp program that aligns the financial eligibility rules for Food Stamps and TANF. Third, the states we visited have used the flexibility allowed under TANF to change provisions of their TANF financial eligibility rules to realign them with those of other programs.

## Establishing Categorical Eligibility

Provisions allowing categorical eligibility have been implemented by states in several programs. For example, the 1972 amendments to the Social Security Act gave states the authority to make SSI recipients automatically eligible for Medicaid.<sup>18</sup> States that use this authority pay SSA to incorporate Medicaid-required questions in the SSI application process and establish an automated linkage between the SSI and Medicaid programs. As a result, clients who are approved for SSI are automatically enrolled in Medicaid and are not required to apply for Medicaid benefits. As of February 2001, 32 states—including three states we visited (California, Delaware, and Kentucky)—and the District of Columbia have linked their Medicaid programs with SSI.

Federal law also gives states the option of establishing categorical eligibility to LIHEAP applicants who are receiving SSI, TANF, or Food

---

<sup>18</sup> P.L. 92-603, Sec. 1634.

---

---

## Implementing the Simplified Food Stamp Program

Stamps. However, according to one agency official, while one of the states we visited (Nebraska) uses this option, most states do not. Many of the potential beneficiaries of the LIHEAP program are elderly or others who are not using public assistance programs. To avoid the perception that LIHEAP is a public assistance program, states are required to offer LIHEAP services through an alternative approach; most of the states we visited used community-based organizations to administer the program.<sup>19</sup>

School districts may also use direct certification to enroll school-aged children into the School Meals program. Direct certification is a method of eligibility determination that does not require families to complete school meals applications. Instead, school officials use documentation obtained directly from the local or state human services agency that indicates that a household participates in TANF or Food Stamps as the basis for certifying students for free school meals.<sup>20</sup> While all of the states we visited used direct certification as a means to identify and enroll children in the School Meals program, not all school districts or schools within the states used the process. According to a recent USDA study, approximately 35 percent of students approved for free meals are certified through direct certification.<sup>21</sup>

The Simplified Food Stamp Program, an option created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), was another effort to streamline program administration. The simplified program option was to be a vehicle for creating conformity between TANF and the Food Stamp program by merging the programs' rules into a single set of requirements for individuals receiving both types of assistance. Specifically, the program allows states to establish eligibility and benefit levels on the basis of household size and income, work

---

<sup>19</sup> States are required to establish automatic or adjunctive income eligibility for the WIC program to clients who are receiving TANF, Medicaid, or food stamps. However, such individuals who are adjunctively income-eligible for WIC because of participation in one of the other means-tested programs must also meet nutritional and targeting requirements. WIC state agencies may also consider program applicants to be automatically income eligible if proof of participation (or eligibility to participate) in other targeted, state-administered programs is provided.

<sup>20</sup> Households may also establish categorical eligibility by providing their TANF or Food Stamp case number on the School Meals application instead of household size and income information in order to be approved for free meals.

<sup>21</sup> The Gallup Organization, et. al., *The School Meals Initiative Implementation Study Second Year Report*, prepared under contract to the Food and Nutrition Service, Office of Analysis, Nutrition and Evaluation. U.S. Department of Agriculture (Washington, D.C.: U.S. Department of Agriculture, July 2001).



---

requirements, and other criteria established under TANF, food stamps, or a combination of both programs—as long as federal costs are not increased in doing so. As of February 2001, while several states had used some features of the Simplified Food Stamp program, only one state had attempted to implement a more extensive version of the program. In our January 1999 report, we found that the two most frequent reasons given by states for not implementing the simplified program were as follows: (1) it would result in increased caseworker burden and (2) the cost neutrality provision restricted the states' options for simplifying the program.<sup>22</sup>

#### Using Flexibility Provided by TANF

States have also sought to realign their financial eligibility rules by taking advantage of their flexibility under TANF. For example, Nebraska changed its TANF (1) assets limits to mirror those for Medicaid, (2) earned income disregards to mirror those for Food Stamps, and (3) client reporting requirements to mirror those for Food Stamps. A Nebraska state official told us that these changes resulted in simplifying the financial rules to ease eligibility determination processes for caseworkers and reduce complexities for clients being served. Delaware broadened eligibility for food stamps by creating categorical eligibility for food stamps through the TANF program. During the application process, clients are asked if they are interested in two specific TANF program components, pregnancy prevention and family planning services. Some clients who may have been determined financially ineligible for food stamps, but indicated an interest in either TANF service, received categorical eligibility for food stamps. However, in the near future, states will not have the authority to more broadly confer categorical eligibility to TANF clients. With recent changes in Food Stamp regulations, effective September 30, 2001, states will be restricted to conferring categorical eligibility to TANF clients with incomes at 200 percent of the federal poverty level or below.

#### Using Flexibility Provided by Medicaid and SCHIP

States have considerable flexibility to streamline eligibility processes in their Medicaid for children and SCHIP programs. According to a recent survey<sup>23</sup>, many states have taken steps to streamline and simplify their child health coverage programs. These activities have been driven, to a

---

<sup>22</sup> This provision requires states to operate simplified programs so that costs are no higher than they would have been under the regular Food Stamp program in any fiscal year. See *Welfare Reform: Few States Are Likely to Use the Simplified Food Stamp Program* (GAO/RCED-99-43, Jan. 29, 1999).

<sup>23</sup> Donna Cohen Ross and Laura Cox, Center on Budget and Policy Priorities, *Making it Simple: Medicaid for Children and CHIP Income Eligibility Guidelines and Enrollment Procedures, Findings From a 50-State Survey*, (Washington, D.C.: The Kaiser Commission on Medicaid and the Uninsured, October 2000).

---

large extent, by the emphasis on designing easy, family-friendly application systems for new SCHIP programs, coupled with the federal requirement to coordinate these new programs with Medicaid. The survey found that most states have taken steps to simplify the application process for child health coverage. For example, of the 32 states that implemented separate SCHIP programs, 28 states use joint applications for Medicaid and SCHIP. Moreover, 39 states and the District of Columbia have eliminated face-to-face interviews and 10 states allow self-declaration of income in both their Medicaid for children and SCHIP programs. In addition, most states have made efforts to expand income-eligibility for children and simplify eligibility rules. For example, between November 1998 and July 2000, the number of states that covered children under age 19 in families with income at or below 200 percent of FPL increased from 22 to 36. Finally, 41 states and the District of Columbia have dropped the asset test in both their Medicaid for children and SCHIP programs.

---

### States Are Using Computer Systems as a Tool to Streamline the Determination of Eligibility

States are increasingly relying on computer systems to establish joint processes for determining eligibility or to share data across agencies to facilitate the verification of data needed to determine client eligibility. However, in some cases states have encountered difficulties in expanding joint eligibility processes due to factors such as limitations in the abilities of caseworkers to master the eligibility rules for so many programs.

The federal government has played a key role in facilitating the automation of means-tested programs. Three of the federal government's major programs for needy families—TANF, Food Stamps, and Medicaid—have historically relied on state-run automated systems to help determine applicants' eligibility and the amount of assistance each client should receive. In the past, the Congress authorized several agencies to reimburse states for a significant proportion of their total costs to develop and operate automated eligibility determination systems for these programs. For example, in 1980, the Congress authorized USDA's Food and Nutrition Service, which oversees the Food Stamp program, to reimburse states for 75 percent of their costs for planning, designing, developing, and installing automated eligibility systems and 50 percent of the costs to operate these systems.<sup>24</sup> To obtain enhanced funding for AFDC automated systems, states had to meet the requirements for a Family Assistance Management Information System (FAMIS), a general system design developed by HHS to improve state administration of the AFDC program. Because eligibility

---

<sup>24</sup> Legislation in 1993 reduced the food stamp funding rate to 50 percent of states' development costs, effective April 1, 1994.

---

for Medicaid and Food Stamps was linked to eligibility for AFDC, most of the AFDC systems also covered Medicaid and Food Stamps.<sup>25</sup> While the federal government generally no longer provides for enhanced levels of matching funds for systems development, the federal government continues to be a major funder of new computer systems for human services.<sup>26</sup> For example, Texas has budgeted more than \$289 million over a 6-year period to develop a new automated system for its human services department that would support the determination of eligibility for approximately 50 programs. The federal share (obtained from HHS and USDA) is projected to be about 51 percent of the total amount.

Some of the states we reviewed have developed computer systems that have enabled them to expand the number of programs for which eligibility can be jointly determined. For example, Nebraska developed the Nebraska-Family On-Line Client User System (N-FOCUS), which contains the eligibility rules for TANF, Food Stamps, Medicaid, SCHIP, and Child Care. A separate computer system is used to determine eligibility for LIHEAP. These computer systems enable a single worker to jointly determine eligibility and calculate benefit levels for all of these programs. However, since these computer systems are not completely interfaced, caseworkers must sometimes enter client information more than once.

In Delaware, caseworkers use the Delaware Client Information System II (DCIS II) to determine eligibility and benefit levels for TANF, Food Stamps, Medicaid, and SCHIP. Caseworkers use a separate computer system to determine eligibility and benefit levels for Child Care. These computer systems enable a single caseworker to determine eligibility jointly for five programs. In contrast to Nebraska, the different computer systems in Delaware are interfaced, which allows caseworkers to switch between systems and transfer data from one system to another, thereby eliminating the need to re-enter the same information in multiple systems.<sup>27</sup> While their computer systems have resulted in streamlining the

---

<sup>25</sup> At the time PRWORA was enacted in August 1996, 38 states operated state systems that complied with the FAMIS requirements.

<sup>26</sup> As part of PRWORA, \$500 million in federal funds were made available to states for both outreach and redesign of their Medicaid enrollment systems, with an enhanced matching rate ranging from 75 percent to 90 percent. Additionally, the cost of developing Medicaid automated systems is federally matched at a 90 percent rate.

<sup>27</sup> For a more detailed discussion of the use of computer systems in human services, including initiatives in other states and obstacles to systems modernization, see *Welfare Reform: Improving State Automated Systems Requires Coordinated Federal Effort* (GAO/HEHS-00-48, Apr. 27, 2000).

---

eligibility determination processes for clients, no data were available to determine whether these initiatives had generated any administrative cost savings.

In addition to supporting joint eligibility determination processes, computer systems are being used to share client data across certain agencies to obtain information needed for determining eligibility. For example, when families in Delaware apply for TANF cash assistance, they are informed on their applications that the state department of health and social services may contact other persons or organizations to obtain the proof necessary in determining eligibility and benefit levels. The department of health and social services has automated links to share client information with other state agencies, including the department of Labor, the Divisions of Public Health and Motor Vehicles, and the child support enforcement agency.<sup>28</sup>

While computer systems can facilitate efforts to coordinate eligibility determination processes, states encountered limitations in system capabilities. For example, Nebraska officials told us that because of the variations in programs and financial rules, “workarounds” had been developed to help caseworkers overcome some systems-related problems. Workarounds are instructions to staff for specific situations in which a worker has to intervene manually in the eligibility determination process. While Nebraska’s N-FOCUS system provided automated support for 26 programs and the policies and rules built into the system to support all these programs, slow processing times had resulted. In addition, caseworkers were frustrated because the system was inflexible and did not cover all possible client household situations, which sometimes resulted in inaccurate eligibility determinations. Later, when the N-FOCUS automated system was modified by reducing technical complexities, it resulted in quicker processing times of client data, more flexibility for caseworkers in using the automated system, and greater responsibilities for caseworkers to know their programs. Caseworkers told us that the changes were helpful improvements. Nonetheless, some caseworkers expressed concern that program complexities, high caseloads, and time

---

<sup>28</sup> In a review of three federal programs, we reported that the continued reliance on self-reported information from applicants and recipients leaves these programs at risk for improper payments. While each of the programs uses varying degrees of computer matching and other methods to verify the information that applicants and current recipients provide, we concluded that the programs could benefit from access to additional data sources. See *Benefit and Loan Programs: Improved Data Sharing Could Enhance Program Integrity* (GAO/HEHS-00-119, Sept. 13, 2000).

---

constraints made it difficult to learn the eligibility rules with their varying criteria and financial rules.

---

### Many Obstacles Constrain Attempts to Streamline or Coordinate Administrative Processes

Through discussions with federal, state, and local officials, and a review of literature in the area, we identified a number of obstacles that hinder efforts to make further progress in streamlining or coordinating processes for determining eligibility. In general, these have been longstanding obstacles. Key obstacles to efforts to simplify or realign financial eligibility rules include program cost implications, restrictive federal laws and regulations, the need for collaboration of multiple executive branch agencies and legislative committees, and differences in goals and purposes of some federal programs.

Program cost implications is a major obstacle to efforts to simplify or realign financial eligibility rules. Financial eligibility rules serve to target and limit benefits to those considered in need and also to ration federal and nonfederal dollars. Yet, modifying financial eligibility rules for purposes of simplifying them or making them more consistent across programs can result in changes to the number of people who are eligible for assistance or the benefit levels they receive. For example, if such rule changes have the effect of raising income eligibility limits, more people will be eligible for assistance and program costs will tend to increase. On the other hand, if such rule changes have the effect of lowering income eligibility levels, some people will no longer be eligible for assistance from certain programs. Among means-tested programs, pressures in recent years have generally been to increase coverage, such as by loosening financial eligibility standards.

As we have seen, much of the variation in financial rules derives from federal statutes and regulations. For the 11 programs we reviewed, most program requirements were set in statute. Agency regulations also provide annual guidance such as income thresholds used to establish eligibility and benefit amounts. State officials believe that because of federal statutes and regulations they had very little flexibility in aligning financial eligibility rules across programs. Such alignment can involve standardizing various types of rules, including those pertaining to income limits, whose income is counted, what income is counted, and deductions from income. While states have aligned some financial rules to simplify their TANF, Food Stamp, and Medicaid rules, most of these changes were modest and officials were frustrated by federal barriers that prevented better aligning the financial rules across programs. For example, officials in two states told us that they believed the federally established income limits in the Food Stamp program (130 percent of federal poverty guidelines) were set

---

too low. They explained that although their states had the flexibility to lower their TANF and Medicaid income limits to match the limit for food stamps, this option was not appealing because it would result in decreased participation in TANF and Medicaid.

The division of legislative and executive responsibility, while allowing multiple points of access for members of Congress, interest groups, and the affected public, can be an obstacle to states' ability to pursue system integration. Making systematic changes to programs' financial eligibility rules can be very difficult, because it would generally require the collaborative efforts of multiple congressional committees (in the case of laws) or multiple federal agencies (in the case of regulations). Several reviews of the legislative and executive governance mechanisms that affect program direction at the federal level have been conducted in recent years. One study found that primary responsibility for most of the approximately 80 major programs that assist low-income families and individuals resides in 19 congressional committees and 33 subcommittees. For the 11 programs in our review, we identified 9 committees and 6 appropriations subcommittees with legislative responsibility for the programs. In addition, the 11 programs spanned 3 executive branch departments and 1 independent agency.

The different purposes of the various means-tested programs and the lack of overarching goals also create a barrier to administrative streamlining. For example, state and local officials frequently cited the Food Stamp program rules as overly complex and rigid, with too much emphasis on quality control. The officials were concerned that quality control in the program focused, to a great extent, on detailed financial matters such as small amounts of overpayments and underpayments, timeliness of changes in income, and recalculation of benefit levels. The officials believe that while a focus on financial integrity through process and payment accuracy was important, too much attention on quality control has contributed to increased program complexities, decreased program participation, and high administrative costs. In comparison, the states receive block grants from the federal government to operate TANF programs and have significant autonomy in these programs. In the states we visited, officials told us that the flexibility in TANF provided them the opportunity to develop more effective cash assistance programs than existed prior to welfare reform. The officials believed that having greater flexibility in other means-tested programs such as Food Stamps would further their efforts to streamline eligibility determination processes.

---

## Conclusions

Over a period of more than 60 years, a large number of means-tested programs have been established to meet diverse goals and serve the needs of different populations of low-income families and individuals. However, when viewed from a service provider's or client's perspective, the existing processes for determining eligibility and calculating benefit levels in the 11 means-tested programs we reviewed are often cumbersome to administer and burdensome for families who apply for assistance.

The variations and complexity of these programs' financial eligibility rules, as well as the fact that numerous agencies administer the programs, have contributed to the formation of these cumbersome processes. There has been a long history of calls for the need to simplify eligibility rules and processes for means-tested programs. While there have been some efforts to make such improvements, little progress has been achieved overall. This limited progress reflects the broad scope and complex intricacy of the obstacles that confront any efforts to make large-scale improvements in this area, including the difficulty of grappling with the cost implications of changing financial eligibility rules. For example, the Simplified Food Stamp program was designed to allow states to align the TANF and Food Stamp programs' rules but few states have implemented this option. Most states have not used the Simplified Food Stamp program, in large part, because they viewed the program's requirement for cost neutrality within any fiscal year as being too restrictive.

Many federal, state, and local officials recognize that additional efforts to simplify or coordinate eligibility determination processes are needed. However, a lack of information on the likely consequences of such efforts hinders further steps to improve the administration of means-tested federal programs. While many of these officials believe that administrative cost savings could be achieved from improved coordination or simplification, data are not available to evaluate the potential savings from such actions. Given the paucity of data on the costs of determining eligibility and calculating benefit levels in the existing system, it is difficult to quantify the costs of the variations and complexity of financial eligibility rules. Yet these costs appear to be substantial and even increases in efficiencies of the processes of 10 to 20 percent could potentially save billions of dollars. Moreover, the simplification of eligibility rules and processes offers the prospect of reducing burdens on caseworkers and applicants. On the other hand, simplifying financial eligibility rules could potentially result in increased program costs. To facilitate further progress in this area, information is needed about the effects of changes in financial eligibility rules and procedures on program and administrative costs, and access to programs by families and individuals. This information could be instrumental in designing a system for administering means-tested

---

programs that is less costly to taxpayers, less onerous for workers, less frustrating for applicants, and that potentially reduces improper payments in federal programs.

---

## Matter for Congressional Consideration

The Congress should consider authorizing state and local demonstration projects designed to simplify and coordinate eligibility determination processes for means-tested federal programs. Such projects would provide states and localities with opportunities to test changes designed to simplify or align the financial eligibility rules for programs, increase the number of programs for which eligibility can be determined jointly, and expand data sharing across agencies to facilitate eligibility determinations.

Once authorized, states and/or localities could submit proposals for demonstration projects and relevant federal agencies working in a coordinated manner could review them, suggest modifications as needed, and make final approval decisions. Demonstration projects would include waivers of federal statutes and regulations as needed and deemed appropriate. While our review covered 11 means-tested federal programs, we are not suggesting that the demonstration projects must include all of these programs or exclude others. Consistent with a focus on citizen-centered government, states should be given the opportunity to try various approaches aimed at streamlining or simplifying eligibility determination processes that consider all feasible programs.

Projects must be given sufficient time to be fully implemented and must include an evaluation component. Cost neutrality would be most desirable for federal approval of these projects. However, projects should not be rejected solely because they are unable to guarantee cost neutrality over the short run. It would be expected that, over a period of time, state and federal efforts to streamline eligibility determination processes would create administrative cost savings that could help offset any increased program costs.

---

## Agency and Other Comments

The Office of Management and Budget and the Departments of Agriculture, Health and Human Services, and Housing and Urban Development provided written comments on a draft of this report. These comments are presented and evaluated below and are reprinted in appendix II through appendix V. The agencies generally agreed with the report's findings. The draft version of the report contained a recommendation to the Director of OMB to develop legislative proposals that would authorize state and local demonstration projects designed to simplify and coordinate eligibility determination processes for means-



---

tested federal programs. In its comments, OMB indicated its support for program simplification but did not indicate that it would implement the recommendation.

OMB agreed with our assessment of the longstanding obstacles to program simplification. However, OMB said that legislative authority for demonstration projects may not be necessary for states to pursue many simplification strategies because many programs, such as Food Stamps, already have significant waiver authority, and many states have not fully utilized the flexibility they have in programs such as TANF, Medicaid, and SCHIP. We agree that states have substantial flexibility in some programs; our report provides examples of how some states have used this flexibility to coordinate financial rules or processes. Our proposal for the authorization of demonstration projects is motivated primarily by the need to obtain more detailed and systematic information about the effects of various simplification strategies on key factors such as program and administrative costs. These demonstration projects would provide states with whatever additional waiver authority is needed and appropriate.

OMB acknowledged that demonstration projects could be helpful in achieving sweeping standardization across programs, particularly if current waiver authority in certain programs, such as HUD's rental assistance programs, is not designed to achieve such sweeping standardization. OMB added that program reauthorization also presents an opportunity to propose changes to program rules that may more immediately and effectively address simplification. We agree that program reauthorization presents a good opportunity to address simplification, especially on a program-specific basis. However, demonstration projects would provide the ability to make comprehensive changes in a multiplicity of programs to coordinate eligibility rules and processes, and to obtain information about the effects of these changes.

OMB also expressed concern about the implications of program simplification on program costs and argued that simplification should not be a license to expand eligibility and increase spending beyond current levels. OMB questioned whether we potentially overestimate the administrative cost savings that would result from program simplification, which may underestimate the significance of program cost implications. We agree that there is a lot of uncertainty about the cost implications of program simplification. We believe that demonstration projects could provide useful empirical evidence about the potential for administrative cost savings and the ability to limit program cost increases.

---

Finally, OMB maintained that if demonstration projects are authorized, the review of state proposals for such projects would most appropriately be lead by a federal agency such as HHS, in collaboration with other federal agencies, rather than by OMB as we had originally recommended. We believe that whatever federal agency or agencies were to be designated as the lead, the critical factor would be to establish a coordinated federal review process that facilitates efficient state and local interactions with the federal government.

USDA commented that the report has made a noteworthy effort to compare the key variations in financial eligibility rules among the eleven federal programs reviewed. With regard to food stamps, USDA stated that making legislative changes during reauthorization would be a better approach to streamlining and simplifying Food Stamp program rules than mounting a series of demonstration projects. We agree that reauthorization presents an opportunity for simplifying Food Stamp rules and have recommended this in an earlier GAO report.<sup>29</sup> USDA also provided additional information about the use of direct certification in the School Meals program and categorical eligibility for WIC, which we added to the report.

HHS said in its comments that this is a very important report that verifies the lack of standardization and complexity of applying for means-tested programs. However, HHS added that in recommending demonstration projects, the report does not offer any suggestions on how to build upon or make this new initiative more productive than past efforts. We agree that the report does not address in a detailed and thorough manner the issues regarding how such demonstration projects should be designed and implemented. We believe that these issues would be best addressed with input from diverse stakeholders, especially the various federal and state agencies that have longstanding experience administering and overseeing these means-tested programs.

HHS noted that while considerable progress has been made in developing joint application processes, there has recently been a recognition that this model has limitations. HHS explained that increasing numbers of Medicaid-eligible persons come from working families not eligible for other programs. HHS added that it is important to strive to effectively reach and serve both this population and the population eligible for multiple programs, so it continues to work on both joint and single-

---

<sup>29</sup> *Food Stamp Program: States Seek to Reduce Payment Errors and Program Complexity* (GAO-01-272, Jan. 19, 2001).

---

purpose application processes. We agree with HHS that both types of application processes have appropriate uses. HHS also said that the report did not acknowledge sufficiently the progress in simplifying eligibility determination that has been made in SCHIP. In response, we added a section to provide information on state efforts to streamline and simplify administrative processes for SCHIP and Medicaid programs for children.

In addition, HHS questioned whether our review of Medicaid, which focused on TANF-related Medicaid groups and policies, should also have included SSI-related groups and policies. Because the primary focus of our review was on means-tested programs commonly used by low-income families and children, the report does not include a discussion of SSI-related groups and policies. Finally, HHS commented that states have significant flexibility to expand and simplify eligibility for Medicaid to coordinate with other programs that serve low-income families.

In its comments, HUD agreed that simplification of the financial eligibility and benefit rules for means-tested federal programs is needed and said that the department is interested in exploring participation in a demonstration program in this area. HUD also noted that it has an effort underway—the Rental Housing Income Integrity Initiative—that has a major goal of simplifying cumbersome income and rent policies in public and assisted housing programs. HUD also provided estimates of administrative costs for housing assistance programs and the percentage of TANF recipients receiving housing assistance; we revised the report to incorporate these estimates.

We also received technical comments on a draft of this report from the Departments of Agriculture, Health and Human Services, and Housing and Urban Development, the Social Security Administration, and three of the five states discussed in the report—Delaware, Nebraska, and Utah—and we incorporated these comments where appropriate.

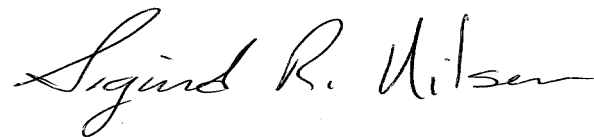
---

As agreed to with your staff, unless you publicly release its contents earlier, we will make no further distribution of this report until 30 days after its issue date. At that time, we will send copies of this report to the Subcommittee on Human Resources, House Committee on Ways and Means; the Director of the Office of Management and Budget; the Secretary of Health and Human Services; the Secretary of Agriculture; the Secretary of Housing and Urban Development; the Acting Commissioner of Social Security; other interested congressional committees; and interested parties. Copies will be made available to others upon request. The report is also available on GAO's home page at <http://www.gao.gov>.

---

Please contact me on (202) 512-7215 if you have any questions about this report. Other GAO contacts and staff acknowledgments are listed in appendix VI.

Sincerely yours,

A handwritten signature in black ink that reads "Sigurd R. Nilsen". The signature is written in a cursive style with a large, looping initial 'S'.

Sigurd R. Nilsen  
Director, Education, Workforce, and  
Income Security Issues

---

# Appendix I: Scope and Methodology

---

In conducting our review, we obtained and analyzed information from a variety of federal, state, and local sources. At the federal level, we interviewed officials at three departments (Agriculture, Health and Human Services, and Housing and Urban Development) and two agencies (Centers for Medicare and Medicaid Services and the Social Security Administration). We visited five states and generally met with officials of state, local, and community-based organizations in two cities in each state—one urban location and one rural community. Our fieldwork was performed in three counties (Contra Costa, San Mateo, and Placer) in California; Georgetown and Wilmington, Delaware; Louisville and Barren County, Kentucky; Omaha and Crete, Nebraska; and Salt Lake City and Logan, Utah. In selecting the states for our fieldwork, we sought to include states (1) that had undertaken welfare simplification or service integration initiatives, (2) with combined welfare and workforce agencies, (3) that had enhanced automated systems for eligibility determinations and benefit level calculations, (4) with state-supervised and county-administered welfare systems, and (5) that were geographically diverse.

To obtain data on the extent to which Temporary Assistance for Needy Families (TANF) families participate in multiple means-tested federal programs, we reviewed and analyzed the results of two national Bureau of the Census surveys:

- The March 2000 supplement of the Current Population Survey (CPS) — The survey has information on TANF families' participation in multiple federal programs, is conducted monthly of about 47,000 households, and is designed to be a nationally representative sample of the country. The total response rate for the March 2000 CPS supplement was about 86 percent.
- The Survey of Income and Program Participation (SIPP)—A nationally representative sample of approximately 20,000 households, SIPP consists of information on social and demographic characteristics for each person in the household. SIPP contains other household data in areas such as labor force activity, income, assets and liabilities, postsecondary education, private health insurance coverage, pension plan coverage, and participation in selected means-tested federal programs.

To determine the extent and sources of variation in financial eligibility rules among the 11 programs, we reviewed relevant federal statutes and regulations, as well as the 2000 Green Book (Committee on Ways and Means, U.S. House of Representatives) and the 2000 Catalog of Federal Domestic Assistance (published by the Office of Management and Budget and the General Services Administration). We also reviewed information contained in CRS' December 1999 report, *Cash and Noncash Benefits for Persons With Limited Income: Eligibility Rules, Recipient and Expenditure*

Data, FY 1996-FY 1998. We discussed the financial eligibility rules with federal program officials and reviewed relevant documents such as program handbooks and policy guidance. In addition, during our site visits we met with state officials, local office managers, and eligibility workers to obtain their views on variations in financial eligibility rules.

To obtain information about how the variation in financial eligibility rules and other factors affects the administrative processes for determining eligibility, we discussed these issues with state and local eligibility workers and supervisors to obtain their views. During these meetings, staff assisted us in identifying rule differences and the extent to which these variations affected the eligibility determination processes. We also reviewed state-prepared documents such as memorandums, discussion papers, and reports. We met with experts in the areas of means-tested federal programs and eligibility simplification and with advocacy groups to obtain their views on how the variations in financial rules impacted clients and their efforts to access benefits and services. We also conducted a content analysis of the multiple applications used by different programs in Utah to determine the amount of overlap in questions.

To determine how federal, state, and local agencies have sought to streamline or coordinate eligibility determination processes, we met with federal program officials to discuss their efforts to simplify eligibility and work more closely with other departments and agencies. In addition, we reviewed statutes, program guidance, and other documents that identified actions to streamline and coordinate at the federal level. As part of our fieldwork, we met with state and local officials to discuss their efforts to simplify eligibility determination processes. We discussed some of these streamlining efforts with frontline workers, including eligibility workers and supervisors. We also reviewed documents obtained at these meetings, such as reorganization strategies and other state and local planning documents.

To obtain estimates of federal costs for program administration, we used administrative cost data from federal agency sources for programs where such data were available: TANF, Food Stamps, Medicaid, School Meals, Housing Choice Voucher, Low-rent Public Housing, and SSI. For the other programs, we developed estimates of federal administrative costs as follows. For the WIC program, overall administrative cost data available from the agency includes nutrition education and assessment costs as part of the administrative cost category. To develop our estimate, we computed and removed the amount (two-thirds of the costs) associated with nutrition assessment activities and attributed the remainder to general administration. For the Child Care program, eligibility determination data

---

are gathered separately from administrative cost data by the states. To make a fiscal year 1998 estimate we developed separate estimates for eligibility determination costs and other administrative costs and added the components together. For the LIHEAP and SCHIP programs, the maximum allowable administrative cost percentage (10 percent) was applied to the separate appropriations for 1998 where administrative costs could be applied.

Our work was done between September 2000 and August 2001 in accordance with generally accepted government auditing standards.

# Appendix II: Comments From the Office of Management and Budget



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OCT 10 2001

Mr. Sigurd Nilsen  
Director  
Education, Workforce, and Income Security Issues  
United States General Accounting Office  
441 G Street, NW  
Washington, D.C. 20548

Dear Mr. Nilsen:

We appreciate the opportunity to review the draft report, "Means-Tested Programs: Financial Eligibility is Cumbersome and Can Be Simplified." The Administration fully supports program simplification in Federal means-tested programs. The Administration also understands that program simplification is a key way to increase administrative efficiencies and, most important, improve program outcomes.

Overall, GAO provides a thorough description of the variation in financial eligibility of Federal means-tested programs. OMB agrees with GAO's assessment of the longstanding obstacles to program simplification. We would like to particularly emphasize the major obstacle identified by GAO, program cost. Program simplification should be done in a manner that is sensitive to achieving the programs core missions, without expanding that mission through a tendency to standardize rules upward to avoid any diminution of benefits or reductions in eligibility. Simplification should not be a license to expand eligibility and increase spending beyond current levels. One option could be to require a cap on overall costs of any demonstration authority at the current program level.

OMB also recognizes GAO's identification of restrictive federal laws and regulations as an obstacle to program simplification. At the federal level, OMB is undertaking a comprehensive effort to identify and eliminate unnecessary rules that hinder agency operations. For example, we are consulting with Federal agencies to identify burdensome reporting requirements and other impediments to good management that can be eliminated statutorily or administratively.

GAO recommends that the Director of the Office of Management and Budget (OMB), in conjunction with other Federal agencies, should develop legislative proposals that would authorize state and local demonstration projects designed to simplify and coordinate eligibility determination processes for means-tested Federal programs. While demonstration authority may remove the obstacle of federal statutes and regulations for state and local entities to apply simplification strategies, many Federal means-tested programs currently have significant waiver authority, such as Food Stamps. In addition, states have flexibility under the Temporary Assistance for Needy Families (TANF) block grant, the State Children's Health Insurance Program (SCHIP), and Medicaid program



that can be used to align program rules across programs. Many states have not fully utilized their current law flexibility. Thus, legislative authority for demonstration projects may not be necessary for states to pursue many simplification strategies.

We should note however, that a demonstration project could be helpful in achieving sweeping standardization across programs as envisioned by the GAO report which would include programs operated through States and through other levels of government. This is particularly the case if current waiver authority in a certain program is not designed to achieve sweeping standardization across programs, such as the rental assistance programs of the Department of Housing and Urban Development


While demonstrations are one approach to address program simplification, program reauthorization is also an opportunity to propose such changes to program rules that may more immediately and effectively address simplification. Demonstrations may require years of operation and evaluation where legislative changes to streamline and simplify program rules may provide a more immediate way to enact change. Furthermore, OMB will continue to be concerned that any approaches taken to simplify eligibility rules of Federal programs will not have the potential to increase costs or undermine program integrity.

With respect to the process of reviewing demonstration authorities, review of proposals for demonstration authority should be directed to a Federal agency, such as HHS that would take the lead and collaborate with other Federal agencies, such as HUD and USDA. As an oversight agency, OMB may provide more appropriate input through monitoring of the process and participation in the review of proposals following initial agency reviews.

Finally, GAO asserts that simplifying Federal means-tested programs will produce administrative savings in the long run but does not provide empirical evidence to support this assertion. OMB is concerned that GAO potentially overestimates administrative cost savings, which may underestimate the significance of program cost implications.

I appreciate the opportunity to comment on your report.

Sincerely,



James C. Capretta  
Associate Director  
Human Resource Programs

# Appendix III: Comments From the Department of Agriculture



SEP 19 2001

United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

3101 Park  
Center Drive

Alexandria, VA  
22302-1500

Ms. Cynthia M. Fagnoni  
Managing Director  
Education, Workforce, and Income Security Issues  
United States General Accounting Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Fagnoni:

This letter provides the Food and Nutrition Service's (FNS) comments on the draft report, "Means-Tested Programs: Determining Eligibility Is Cumbersome and Can Be Simplified." We appreciate the opportunity to review the draft and also appreciate the earlier exit conference provided by the General Accounting Office (GAO). The draft report has made a noteworthy effort to compare the key variations in Programs' financial eligibility rules among the eleven Federal Programs that are described in the report.

In its recommendations, the GAO suggests that the Office of Management and Budget, in conjunction with other Federal agencies, develop legislative proposals for demonstration projects that would allow States and local agencies to align eligibility requirements for means-tested Federal programs, increase joint application processing, and expand data sharing across agencies. In assessing whether this approach is likely to yield improvements in the Food Stamp Program (FSP), it is important to remember that the FSP reaches a much broader range of recipients than do any of the other 11 programs covered in the study. This means aligning it with any single other program would only affect a small portion of the Food Stamp caseload.

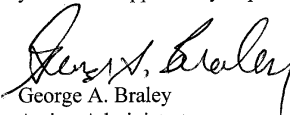
Given the fact that the FSP is intended to serve a broader population of low income people than any of the other programs reviewed, and that the program is also intended to operate as a national safety net with uniform standards of eligibility across the country, the Department of Agriculture believes that making legislative changes to the program that would simplify and streamline it is a better approach than mounting a series of demonstration projects. We believe that Food Stamp reauthorization offers an opportunity to make changes that would provide immediate solutions to the issues raised in this report rather than using demonstration projects which are likely to be of limited utility to Food Stamp participants, and would require years of operation and evaluation.

Page 2

In its report, the GAO identifies simplification initiatives available in the Food Stamp Program and the National School Lunch Program. In addition, we would note that applicants for WIC may provide documentation or proof of their eligibility to participate in Food Stamps, Medicaid, or Temporary Assistance to Needy Families and be automatically determined to be financially eligible for the WIC benefits. WIC State agencies may also consider program applicants to be automatically income eligible if proof of participation (or eligibility to participate) in other targeted, State-administered programs is provided.

The school programs administered by FNS have few of the complexities involved in determining eligibility in other programs, such as income disregards or limitations on assets. We believe that this distinguishes them from many of the other programs described in this report. There has been substantial progress in using direct certification based on Food Stamp/TANF eligibility to simplify the school meals application process. A recent survey indicated that approximately 35 percent of all students eligible for free meals are directly certified.

In reviewing the report, we identified a number of technical adjustments and suggestions and, we have provided these under separate cover. Once again, we thank you for the opportunity to provide these comments.

  
George A. Braley  
Acting Administrator

cc: Stephen Fowkes, OIG

# Appendix IV: Comments From the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

SEP 26 2001

Washington, D.C. 20201

Mr. Sigurd R. Nilsen  
Director, Education, Workforce,  
and Income Security Issues  
United States General  
Accounting Office  
Washington, D.C. 20548

Dear Mr. Nilsen:

Enclosed are the Department's comments on your draft report, "Means-Tested Programs: Determining Financial Eligibility Is Cumbersome and Can Be Simplified." The comments present the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department also provided extensive technical comments directly to your staff.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

A handwritten signature in cursive script that reads "Janet Rehnquist".

Janet Rehnquist  
Inspector General

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for General Accounting Office reports. The OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

Comments of the Department of Health and Human Services on the  
General Accounting Office Draft Report, "MEANS-TESTED PROGRAMS:  
Determining Financial Eligibility Is Cumbersome and  
Can Be Simplified" (GAO-01-981)

General Comments

The Department of Health and Human Services believes that this is a very important General Accounting Office (GAO) report that verifies the lack of standardization and complexity of applying for means-tested programs.

First, we note that a great deal of thought and effort have been spent over the last 2 decades on looking for solutions to these very issues. The report does not seek to extract lessons learned by this prior work but, instead, recommends a new initiative--without offering any suggestions on how to build upon or make this initiative more productive than past efforts.

Second, the Department notes that considerable progress has been made in recent years in developing a single application form and process for multiple programs--a kind of one-stop shopping. But more recently, the Department and State governments have recognized the limitations of this model and have worked to create new, single-purpose, simpler forms and processes for Medicaid and the State Children's Health Insurance Program (SCHIP). We recognize that many of the people we serve represent the poorest Americans and may enter the Medicaid program through a joint application process and/or may be eligible for benefits offered by other means-tested programs. However, increasing numbers of Medicaid-eligible persons come from working families not eligible for other public programs and who are only applying for medical benefits. We must strive to effectively reach and serve both of those populations, so we continue to work on both joint and streamlined application processes.

Third, although GAO included SCHIP in their analysis, there was no discussion of how the new SCHIP has actually promoted application simplification, decreased verification requirements, and joint applications for both SCHIP and Medicaid eligibility review. Progress in simplifying the eligibility determination process for SCHIP has led to parallel improvements in streamlining Medicaid eligibility. These changes are well described in the October 2000 Kaiser Commission on Medicaid and the Uninsured publication entitled "Making It Simple: Medicaid for Children and CHIP Income Eligibility Guidelines and Enrollment Procedures." It would be useful to acknowledge the significant changes that the implementation of SCHIP has prompted as an example of a "best practice" that can be emulated by other means-tested programs.

We also note that GAO's report focuses on the Temporary Assistance for Needy Families (TANF)-related Medicaid groups (the children and family groups) and policies as opposed to the Supplemental Security Income (SSI)-related disabled and elderly groups and policies. We are unclear as to whether Representative Istook was interested in the

SSI-related groups and policies as well. The GAO should either clarify that the Representative was only interested in exploring programs as they pertain to families, or should expand their discussion of Medicaid to the SSI-related groups (and thus the SSI-related Medicaid standards and methodologies).

States have significant flexibility to expand and simplify eligibility for Medicaid in order to coordinate with other programs that serve low-income families. Several States have used this flexibility to align Medicaid eligibility rules with TANF eligibility rules, effectively ensuring that all families who receive TANF are eligible for Medicaid. In addition to serving families who are receiving TANF, the Medicaid program also provides health coverage to many other working families and children. A recent Kaiser study found that less than half of Medicaid recipients nationally also receive TANF assistance. Flexibility for all eligibility groups, including the elderly and disabled, is also available to States under section 1902(r)(2) of the Social Security Act.

Finally, a lesson was learned by the Department's Centers for Medicare and Medicaid Services (CMS) as it developed recent guidance to States on eligibility processes. The CMS discovered there is much that States can and should do, under existing rules, to make their eligibility processes more seamless and to eliminate procedural "cracks" that eligible persons commonly fall through. The CMS learned that much could be accomplished with clear Federal guidance, and with States' willingness to commit necessary resources to the endeavor.

The Department looks forward to working with GAO on this and other issues.

# Appendix V: Comments From the Department of Housing and Urban Development



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY  
FOR PUBLIC AND INDIAN HOUSING

SEP 26 2001

Mr. Sigurd R. Nilsen  
Director, Education, Workforce, and  
Income Security Issues  
United States General Accounting Office  
Washington, DC 20548

Dear Mr. Nilsen:

The Office of Public and Indian Housing, in conjunction with the Office of Policy Development and Research has reviewed your draft report entitled MEANS-TESTED PROGRAMS: Determining Financial Eligibility Is Cumbersome and Can Be Simplified (GAO-01-981).

The enclosed document contains our formal written comments on the report to be included in your final report.

Should you or your staff have any questions concerning the enclosed document, please contact Paula Blunt, General Deputy Assistant Secretary for Public and Indian Housing, at (202) 708-0950.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michael Liu".

Michael Liu  
Assistant Secretary  
Office of Public and Indian Housing

Enclosure

Enclosure

GAO Draft Report: Means-Tested Programs: Determining Financial Eligibility Is  
Cumbersome and can be Simplified (PIH-1520/116046)

The Department of Housing and Urban Development (HUD) has reviewed this  
GAO draft report and we offer the following comments:

- The Department agrees that simplification of the financial eligibility and benefit rules for means-tested federal programs is needed. We have embarked on a major effort, the “Rental Housing Income Integrity Initiative” (RHII) with a major goal of simplifying cumbersome income and rent policies in public and assisted housing programs.
- The Department is interested in exploring participation in a demonstration program to consolidate means tested programs. Currently Public Housing Agencies (PHAs) are required to coordinate with welfare agencies in the administration of eligibility and other income requirements and the Department is aware of several states where PHAs and welfare (TANF) agencies share data systems.
- On page 24, the report estimates total administrative costs for the Housing Choice Voucher Program and the Low-rent Public Housing Program at \$374 million and \$451 million respectively. It states that eligibility determination activities make up a substantial portion of these total administrative costs. On page 36 the basis for estimating these costs is explained. The administrative fee in the voucher program is 7.65 or 7 percent of an historical base amount. The report calculated it as a percentage of program cost, which is not the same thing. The 7.65/7 percent parameters have nothing to do with the public housing program but were used to estimate the administrative costs in this program. Following is more detailed information on total administrative costs for these two programs.

In the **Housing Choice Voucher** program, the fiscal year-end statements ending during one of the quarters of 1999 showed total administrative fees of **\$842 million**.<sup>1</sup> In the **Low-Rent Public Housing** program, administrative salaries and benefits were **at least \$877 million** in 1999<sup>2</sup>, and this does not include any office expenses other than salary. However, for the Housing Choice Voucher program this includes the costs of inspecting housing units, performing landlord outreach, and other activities that don't apply in other means tested programs. Public housing also has administrative costs that are unique to owning and managing rental property. The

<sup>1</sup> Source: Section 8 Finance Division in the Office of Public and Indian Housing.

<sup>2</sup> Source: Statement of Operating Receipts and Expenditures (HUD-52599) for four quarters ending 3/31/99. Estimate of \$877 million is total of administrative salaries and administration employees' share of employee benefit contributions. Total administrative salaries \$690 million. Administrative salaries were 38 percent of total salary and labor expenditures. 38 percent of total Employee Benefit Contributions of \$492 million equals \$187 million.



Department is unaware of any data that would identify the cost of eligibility determination activities for either program.

- A bar chart on page 9 seems to indicate that more than 40 percent of TANF recipients receive housing assistance. The GAO may have relied on the Current Population Survey for this data, but the problem of over-reporting of housing assistance in surveys is an ongoing and documented problem.<sup>3</sup> The number of TANF households in March 2001 was about 2.1 million and there are 492,000 families with housing assistance receiving public assistance, nearly all of whom are on TANF.<sup>4</sup> Therefore, the Department estimates that approximately **25 percent of TANF recipients receive housing assistance.**

---

<sup>3</sup> Shroder, Mark and Marge Martin. May 1996. "New Results from Administrative Data: Housing the Poor, or, What They Don't Know Might Hurt Somebody". Paper presented at the 1996 Mid-year meeting of the American Real Estate and Urban Economics Association.

<sup>4</sup> Source: Number of TANF households (<http://www.acf.dhhs.gov/news/press/2001/caseload.html>). Number of families receiving public assistance from tables prepared for the Millennial Housing Commission based on Multifamily Tenant Characteristics System (MTCS) and Tenant Rental Assistance Certification System (TRACS).

---

# Appendix VI: GAO Contacts and Staff Acknowledgments

---

## GAO Contacts

Andrew Sherrill, (202) 512-7252, *sherrilla.@gao.gov*  
Tim Hall, (202) 512-7192, *hallt@gao.gov*

---

## Staff Acknowledgments

The following people also made important contributions to this report: George Erhart; Sheila Nicholson; Mikki Holmes; Daniel Schwimer; and Barbara Alsip.

---

# Related GAO Products

---

*Child Care: States Increased Spending on Low-Income Families* ([GAO-01-293](#), Feb. 2, 2001).

*Food Stamp Program: States Seek to Reduce Payment Errors and Program Complexity* ([GAO-01-272](#), Jan. 19, 2001).

*Food Assistance: Activities and Use of Nonprogram Resources at Six WIC Agencies* ([GAO/RCED-00-202](#), Sept. 29, 2000).

*Benefit and Loan Programs: Improved Data Sharing Could Enhance Program Integrity* ([GAO/HEHS-00-119](#), Sept. 13, 2000).

*Welfare Reform: Improving State Automated Systems Requires Coordinated Federal Effort* ([GAO/HEHS-00-48](#), Apr. 27, 2000).

*Welfare Reform: States' Experiences in Providing Employment Assistance to TANF Clients* ([GAO/HEHS-99-22](#), Feb. 26, 1999).

*Welfare Reform: Few States are Likely to Use the Simplified Food Stamp Program* ([GAO/RCED-99-43](#), Jan. 29, 1999).

*Medicaid: Early Implications of Welfare Reform for Beneficiaries and States* ([GAO/HEHS-98-62](#), Feb. 24, 1998).

*Welfare Programs: Opportunities to Consolidate and Increase Program Efficiencies* ([GAO/HEHS-95-139](#), May 31, 1995).

*Means-Tested Programs: An Overview, Problems, and Issues* ([GAO/HEHS-95-76](#), Feb. 7, 1995).

*Welfare Simplification: States' Views on Coordinating Services for Low-Income Families* ([GAO/HRD-87-110FS](#), Jul. 29, 1987).

*Welfare Simplification: Thirty-Two States' Views on Coordinating Services for Low-Income Families* ([GAO/HRD-87-6FS](#), Oct. 30, 1986).

*Welfare Simplification: Projects to Coordinate Services for Low-Income Families* ([GAO/HRD-86-124FS](#), Aug. 29, 1986).

*Needs-Based Programs: Eligibility and Benefit Factors* ([GAO/HRD-86-107FS](#), Jul. 9, 1986).



---

## Ordering Information

The first copy of each GAO report is free. Additional copies of reports are \$2 each. A check or money order should be made out to the Superintendent of Documents. VISA and MasterCard credit cards are also accepted.

Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

***Orders by mail:***

U.S. General Accounting Office  
P.O. Box 37050  
Washington, DC 20013

***Orders by visiting:***

Room 1100  
700 4<sup>th</sup> St., NW (corner of 4<sup>th</sup> and G Sts. NW)  
Washington, DC 20013

***Orders by phone:***

(202) 512-6000  
fax: (202) 512-6061  
TDD (202) 512-2537

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

***Orders by Internet***

For information on how to access GAO reports on the Internet, send an e-mail message with "info" in the body to:

[Info@www.gao.gov](mailto:Info@www.gao.gov)

or visit GAO's World Wide Web home page at:

<http://www.gao.gov>

---

## To Report Fraud, Waste, and Abuse in Federal Programs

***Contact one:***

- Web site: <http://www.gao.gov/fraudnet/fraudnet.htm>
- E-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)
- 1-800-424-5454 (automated answering system)