

Improving Family Economic Security: Administrative Barriers and Solutions Through State Flexibilities

November 20th, 2024

Agenda

- Intro: Categories of Costs; Racial Inequity
- Top-Level (National) Enrollment Figures
- Childcare Subsidy Waitlists
- TANF Administrative Barriers
- SNAP Administrative Barriers
- Increasing WIC Enrollment Through Medicaid Access
- Tax Credits and Support For Tax Filing
- Immigrants, Barriers, Stigma, and Fears

Three Types of Costs to Participants

1. Learning costs, which include learning about eligibility and other rules and procedures.
2. Psychological costs, which include stigma (internal and societal) and the stresses of interaction with administrative processes.
3. Compliance costs, which include material burdens like waiting in line, completing forms, paying fees to process paperwork, and providing documentation.

Administrative Burdens, Economic Insecurity, and Racial Inequity

- Using Current Population Survey from 1990 through 2019 to study Unemployment Insurance (UI) receipt, as well as TANF and SNAP, researchers found “lower income replacement rates for Black and Latino families experiencing job loss relative to White families.”
- Comparing effects across states: “The larger the share of White state residents, the lower the administrative burden effect” in that state.



Research Article

⌘ Administrative Burdens and Economic Insecurity Among Black, Latino, and White Families

Zachary Parolin, Christina J. Cross, Rourke O'Brien

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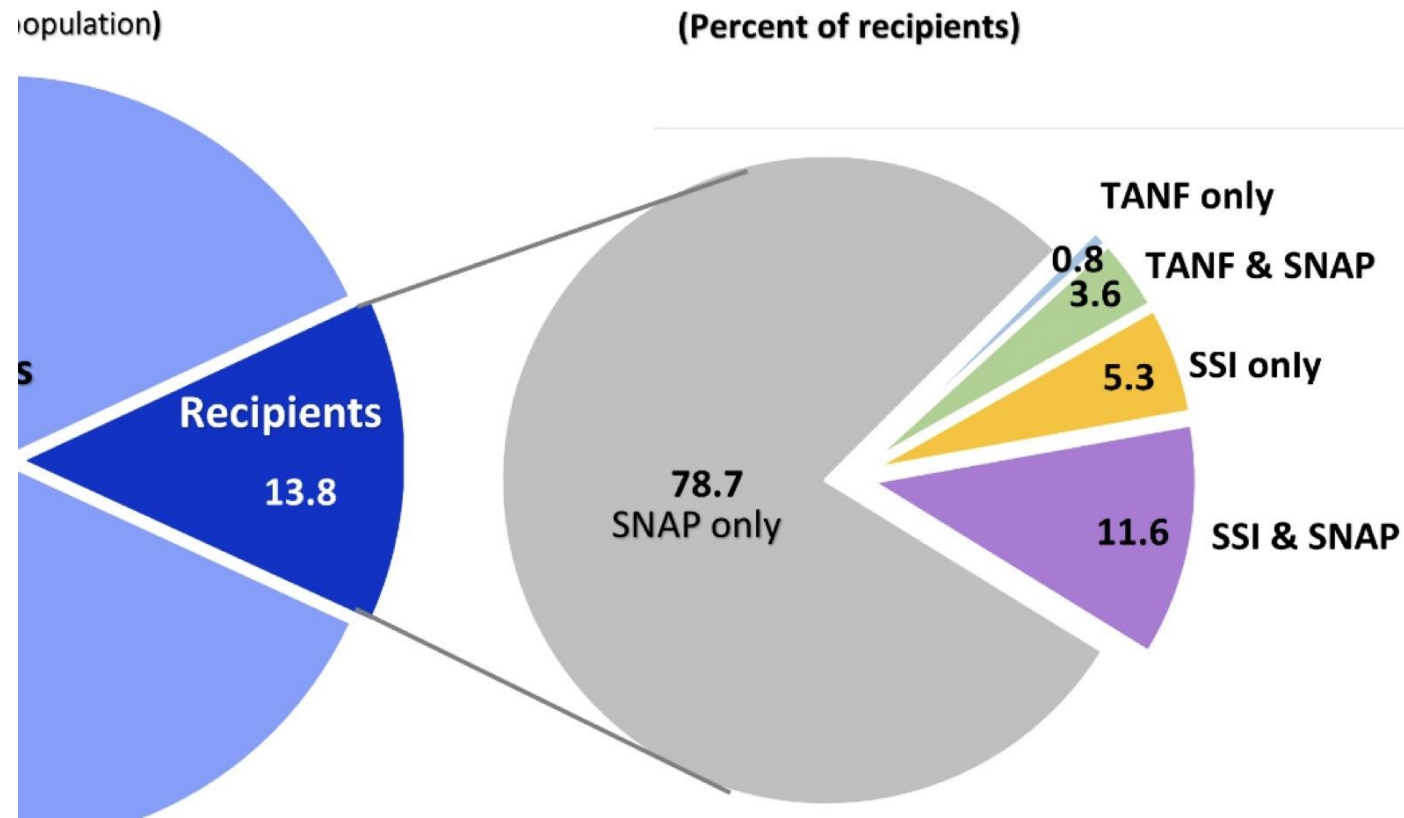
Specific statistics on participation among those eligible for programs

Program	Enrollment as % of Eligible Participants
TANF cash assistance	20.7% (in 2021)
SNAP (food stamps)	80% (in 2020, pre-pandemic)
WIC	53.5% (in 2022)
Medicaid for Adults (for those with children)	<i>Tentatively</i> 80-85% (2023?)
Medicaid for Children & CHIP	91.9% (2019)
Section 8	20% to 25% (recent years)
Childcare Subsidies (CCDF)	15% under federal rules/ 20% under state rules (2021)

Additional Points

1. The more levels of government involved in administering a benefit program, the more administrative barriers complicate access, generally.
2. Sometimes, as barriers are reduced or eliminated, “reasons” emerge to construct new barriers or re-institute old ones.
3. The frustrations and inequities tied to administrative barriers can attach to perceptions of government generally, and by extension to views of democracy.
4. Finding ways to address the challenges of internal, societal, and political stigma is one of the most important pieces of work ahead of us.

Distribution of US Program Recipients by Program for TANF, SNAP, and SSI, 2021 (13.8% of U.S. population)



Rationing of Supports: Childcare Subsidy Waitlists

1. Massachusetts state officials ordered an audit of the agency's waitlists and found possible evidence of mismanagement.
2. This led the agency to “clean” the list and add burdensome new requirements of parents in order to remain on it. The cleaning was a monthly “deactivation” of families.
3. Families had to answer multiple letters each year, sometimes without ever being offered a place, in order to avoid removal. Sometimes the letters weren't mailed because of a glitch, but families were nonetheless removed from the wait list.
4. As a result, there was a 75% drop in the waitlist from 2013 to 2018 – **at a time when there was no reduction in low-income families' need for care or increase in care supply.**
5. Administrative burdens on contracted providers (see notes) to mail offer letters to *multiple* families for each available slot were so significant that it caused a reduction in subsidized childcare in the state.

TANF Administrative Barriers

1. Limitations on family type or members
2. Cumbersome eligibility processes (means testing) to assess income and assets
3. Requirement for out-of-work parents to look for employment and provide documentation before processing of TANF application
4. Child support enforcement: some states
5. Work requirements generally: e.g., involvement in E&T programs; requiring frequent proof of employment (“every month”)

TANF Administrative Barriers, #2

6. Full-family sanctions in connection with work requirements
7. Shortening lifetime limit to less than 60 months
8. Ban vs. monitoring of parents with convictions for drug-related felonies
9. Actual drug testing of recipients
10. Some states deny eligibility to immigrant individuals who are lawful permanent residents (LPRs) *after* five years' residence in US*

Project 2025: Planned increases to administrative barriers around TANF access

Both the Project 25 framework and the Republican House Budget Committee's (HBC) budget resolution express concern that current state enforcement of work requirements for TANF is currently insufficient, with the second document calling for "reforms to restore and strengthen TANF work requirements so states will engage more recipients in activities leading to self-sufficiency."

Since work requirements in many states are already formidable for parents receiving TANF benefits, the implication is that within the coming year(s) top-down regulation may target parents who currently obtain exemptions, such as those caring for very young children. Legislation already enacted in more conservative states may be used to model how all states should be enforcing work requirements.



National Center for Children in Poverty

Bank Street Graduate School of Education

SNAP Administrative Barriers, review

We've already discussed some common administrative barriers and ways to fix them.

- Extending recertification from six to twelve months lightens parents' burden and reduces "churn," when families lose access and then need to reapply for food stamps.
- Putting services online reduces the need for time-consuming in-person visits, including benefit applications, reporting income changes, and renewals.
- The case of Wyoming.

ADMINISTRATIVE REQUIREMENTS		
Flexibility	Current policy	Potential improvement
Less frequent recertification periods Has Wyoming extended the recertification period to 12 months for all recipients?	No, households must recertify every six months or less.	Extend recertification periods to twelve months for all families with children to ease administrative costs and streamline support access (e.g., Oklahoma, Kansas).
Online services for all application processes Does Wyoming offer online services for its initial benefit application, reporting of changes, and renewal?	No. Families can submit applications by email, but there is no online portal for application processes. Parents must report changes by mail and orally.	Invest in online application services as other states have done to lower administrative costs and streamline access to nutritional support (e.g., Montana, Nebraska).

More on SNAP Administrative Barriers

- Many SNAP barriers fall in similar categories as those for TANF: drug felon bans, drug tests, asset limits, documentation requirements, and work requirements.
- SNAP applications can be particularly lengthy and feature questions that recipients find intrusive.
- Federal guidelines excuse parents caring for a child under six from work requirements. But some states administer their programs in a way that restricts access for such parents nonetheless, e.g., West Virginia, Tennessee, and Indiana.
- BBCE is essentially “bundling” for beneficiaries of TANF programs to become “categorically eligible” for SNAP at states’ discretion; in states that don’t adopt it or don’t take advantage of its options, policymakers are effectively choosing to impose certain burdens or barriers on families in their state.

Three Pathways to Initial SNAP Eligibility

Federal Pathways		State Pathway With Flexibilities
A. Standard	B. Traditional* Federal Categorical Eligibility	C. Broad-Based Categorical Eligibility (BBCE)
Available to all US citizens and those with sufficient immigration status who meet the requirements below.	Available to households in which every member receives cash assistance through either TANF, SSI, or General Assistance.	Available in states that adopt BBCE to households considered BBCE-eligible; states choose which of the following changes to make to requirements from column A.
R e q u i r e m e n t s		
130% FPL gross income limit (~34K/year fam of 3)	No eligibility tests; recipients have already qualified for programs (like TANF) with more stringent requirements.	<ul style="list-style-type: none"> Option: Extend gross income limit as high as 200% FPL (~\$52K/year fam of 3)
\$2,750 asset limit in cash or bank accounts		<ul style="list-style-type: none"> Option: Increase or remove asset limit
100% FPL net income limit		<ul style="list-style-type: none"> Option: Remove net income limit

Project 2025: Planned (not yet actual) increases to administrative barriers around SNAP

1. Because of purportedly frequent instances of fraudulent activities involving the theft and misuse of EBT cards, **new administrative barriers will likely be imposed, increasing both psychological and material costs for parents with children.** These may include:
 - a) **Mandated presentation of photo IDs in addition to EBT cards when purchasing;**
 - b) **Required home visits by program administrators;** and c) **Prohibition of using EBT cards in states other than the ones in which they were obtained.**
2. To counter alleged instances of fraud by certain retailers, **all retailers may be charged application fees, thereby increasing burden for those accepting EBT payments and likely resulting in fewer stores that will accept SNAP.**
3. **There will likely be greater focus on work requirements for SNAP, so that states that are providing certain parents with exemptions may no longer be able to continue doing so.**

Research Question

Is opting to **eliminate the net income limit** (under BBCE) an effective way of reducing burdens on both families and administrators?

For states that do not do this, families cannot be eligible without providing documentation of childcare costs and other deductions to prove that their net income is less than 100% FPL.*

Strategies to ease SNAP Administrative Barriers

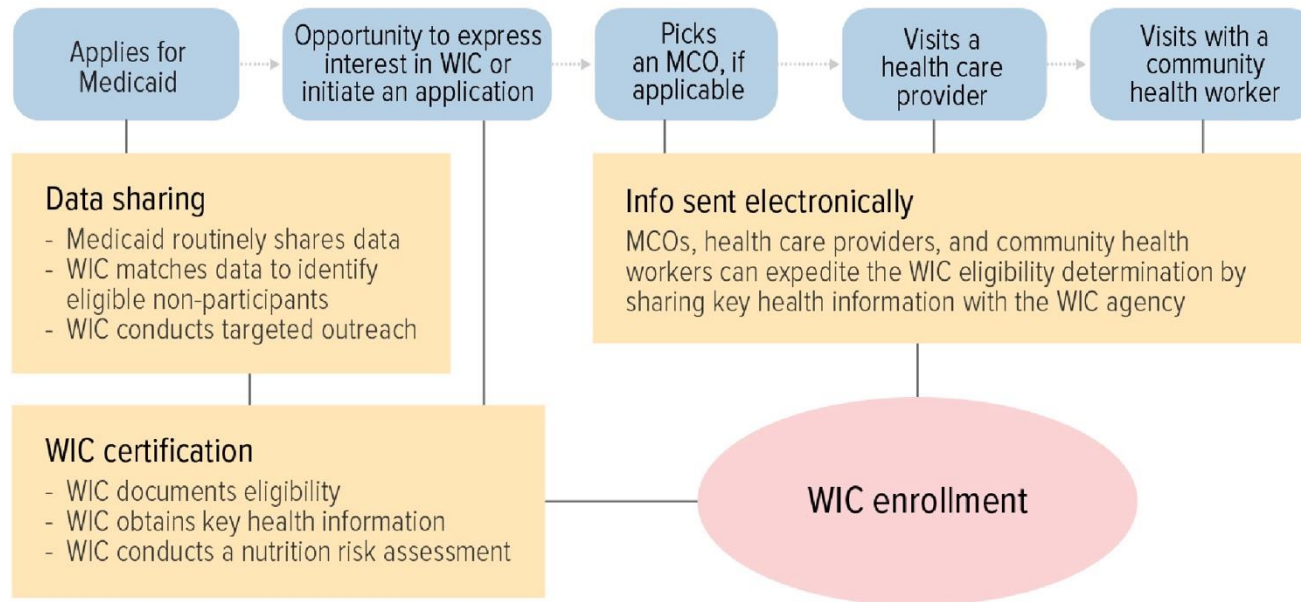
- Some states participate in a pilot that enables **purchase of hot or prepared foods** with EBT cards.
- Most states (and DC) currently participate in a pilot that permits **use of SNAP to purchase groceries online** from approved retailers (e.g., Amazon, Walmart) but *excluding delivery fees and tips*.
- Use of state funds (in a couple of states) to enable otherwise ineligible immigrant families to receive SNAP.
- Nonprofit navigators have reduced learning costs for many.

Addressing WIC's Low Participation Rate Through Access Through Medicaid

Medicaid-Related Entry Points to WIC

Medicaid and WIC can collaborate at the state level to facilitate WIC enrollment

Pregnant or postpartum person or child under 5

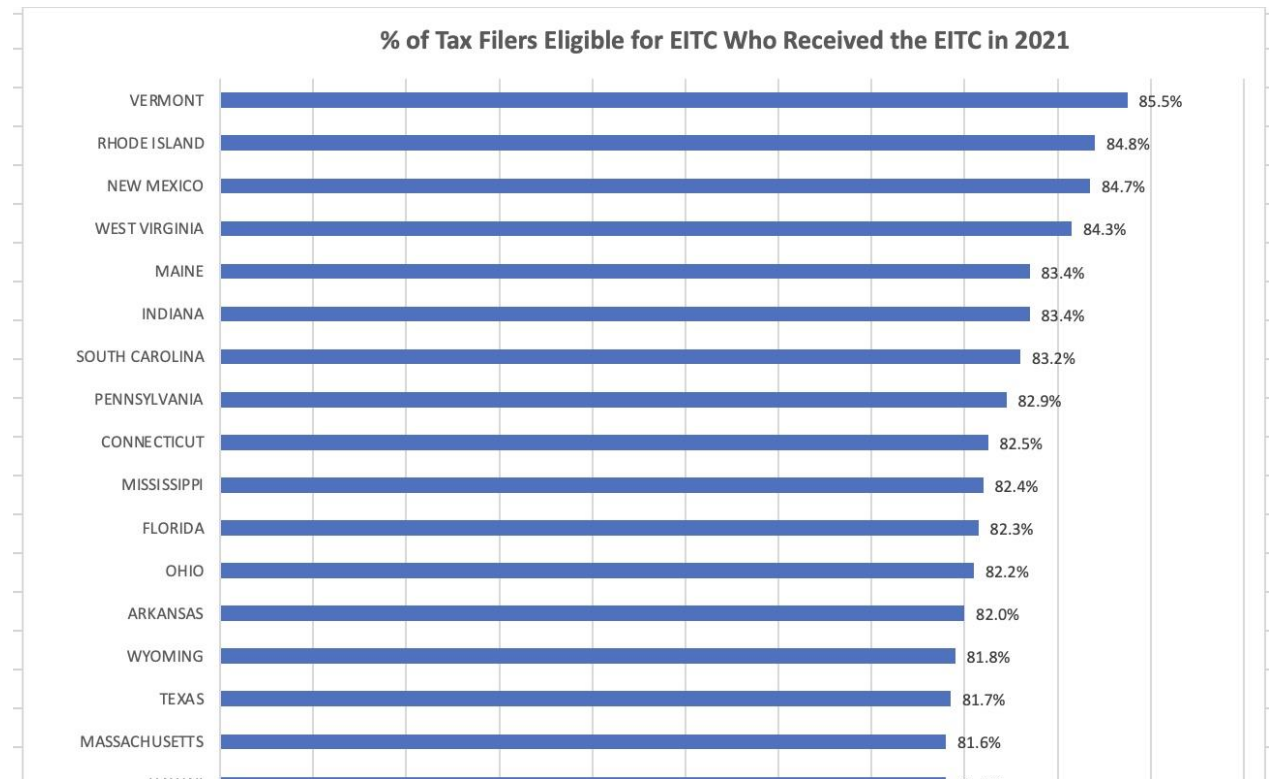


MCO = Managed Care Organization. "Key health information" includes the height, weight, and iron deficiency blood test result of an applicant.

“Colorado, Massachusetts, Montana, Virginia, Illinois, Florida, Michigan, and Oregon are states in which Medicaid recipients who meet certain criteria are automatically considered eligible for WIC without needing a separate application process, often through data sharing and targeted outreach initiatives.”

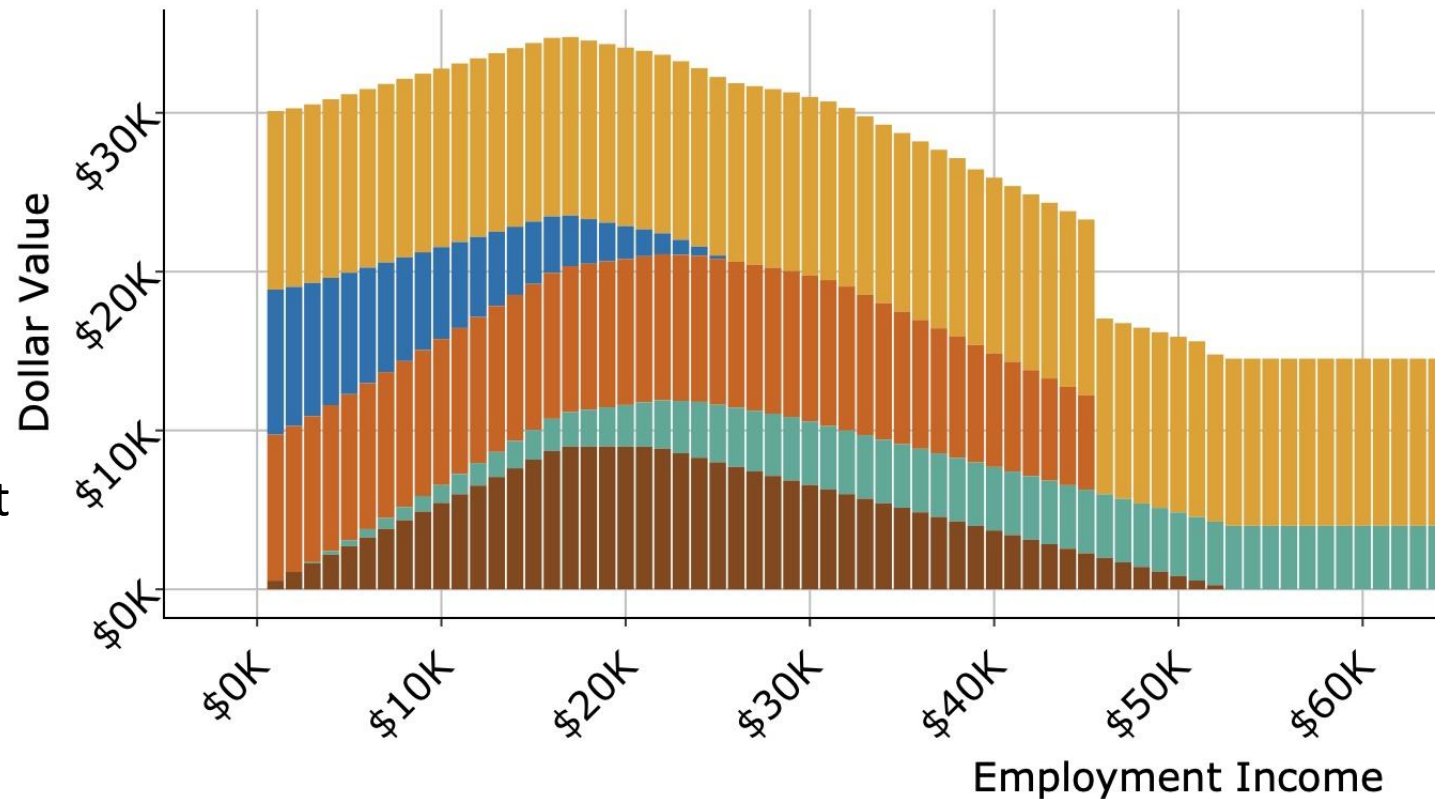
Receipt of EITC: Around 1 in 5 eligible tax filers do not receive

- The national average for receipt among filers who are eligible is 80.8%.
- More work needs to be done on low-income households that do not file taxes; making them aware of the potential for credits may make a huge difference (as well as those eligible for the CTC.)
- Vermont is the state with highest receipt, at 85.5%.



Receipt of EITC: Around 4 in 5 eligible tax filers, nationally

- In Vermont, a three-person family receives a significant boost from tax credits, represented in the brown bars (EITC) and in mint green (CTC).
- Without these credits, families lose out on a lot of economic support. The maximum amount of the EITC (\$8981, or \$6604 for just the federal EITC) kicks in at just \$17,000 income.



Contributing factors: Vermont's higher than average take-up of the EITC

- **Generous State EITC Program:** Vermont offers a state-level EITC that is pegged to 36% of the federal credit. This additional state credit acts as an extra incentive for eligible taxpayers to claim the federal EITC as well.
- **Outreach and Public Awareness:** Vermont partners with local organizations and nonprofits, such as Capstone Community Action and Vermont Legal Aid, to run targeted outreach efforts. These groups promote the EITC through newsletters, events, and social media, focusing on underserved communities and those who might be less familiar with the credit.
- **Support for Free Tax Preparation Services:** Vermont supports Volunteer Income Tax Assistance (VITA) sites and other free tax preparation services through grants and partnerships. These services are crucial in helping low- and moderate-income taxpayers file accurately, often highlighting the EITC and making sure eligible individuals claim it.
- **Informational Resources for Employers:** The state works with employers to share EITC information with employees, especially in hospitality, retail, and seasonal work. Employers may include EITC information in payroll communications or at tax time.

EITC: Take-up is assisted by “bundling” of benefits

Earned Income Tax Credit

The Earned Income Tax Credit (EITC) could give you a financial boost when you file your taxes. People who receive the Vermont EITC are automatically eligible for 3SquaresVT!

*The following information is relevant to Tax Year 2023. **Stay tuned for information about Tax Year 2024.***



Project 2025: Planned (not yet actual) increases to administrative barriers around EITC, CTC

To curb purportedly high levels of fraud, the RSC proposes:

- Careful cross-checking of databases across the IRS and HHS with focus on **social security numbers (SSNs)**, marital status, and claimed dependents.
- **State eligibility for TANF block grants would be contingent on the provision of data to the Social Security Administration.**
- The IRS would verify eligibility for tax credits and ensure that only those with valid SSNs (not ITINs) are receiving these credits.

Uniqueness of Administrative Burdens for Immigrant Parents

- Information about eligibility is often the most formidable barrier, e.g., *“For which benefits am I eligible? Which ones can my child receive?”*
- Issues of documentation, tax filing, and family relationships are often more complex for these families.
- Especially because of the added layers of complexity, **language supports are vital** for immigrant parents.
- Fear, e.g., *“Will this hurt my visa status? Will applying alert the authorities to the undocumented status of some in my family?”*

Importance of qualitative inquiry

To understand low participation and how to increase it, NCCP recommends using strategies to learn from the lived experiences of parents and others who are eligible for benefits and tax credits, from those who have successfully enrolled and those who have not.

Questions or goals?

Q. Any questions about what was presented here?

Q. Are there administrative barriers you'd especially like to work on in your state?

Reminder: Open-format follow-up meeting

We hope to see you on December 5th at 1pm ET for an open-format meeting with FES Community members to discuss advocacy around administrative barriers. We encourage you to bring questions and stories from your communities and your own advocacy experience.

Thank you for joining, and thank you for the work you do.

Acknowledgements: **Mandy Ableidinger** and the Alliance for Early Success;
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Karen Chatfield, Director of Family Economic Security

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Additional Resources

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Additional Resources, #2

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