A Stronger Safety Net for America's Children

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The economic turmoil of the past five-and-a-half years has fueled sharp increases in financial hardships and insecurity for American families along the entire income spectrum. Research sponsored by the Foundation for Child Development, a national philanthropic organization in New York City, found that the economic well-being of families with children has deteriorated markedly over the last few years. In 2011, the typical American family with children not only had a lower income than a decade earlier, but it also was less likely to have either secure employment or an income above the federal poverty level (FPL).[1]

Such economic pressures have led families of all kinds—middle-class ones that have tumbled down the income ladder due to a job loss, working-class ones struggling to keep pace with increases in essential living costs despite wage cuts or freezes, and low-income ones unable to find a job of the quality needed to move ahead—to turn to public safety net programs and work supports for help in meeting basic needs. Consider how the number of persons participating in the Supplemental Nutrition Assistance Program (SNAP), the nation's primary source of food aid, rose by 72.5 percent between January 2008 and January 2013, climbing to 47.8 million from 27.7 million.[2] Had SNAP been included in the national poverty measure for 2011, that one program alone would have reduced the number of poor adults by 2.2 million and the number of poor children by 1.7 million.[3]

By effectively increasing the resources available to families experiencing economic hardships, safety net programs and work supports deliver tangible, short-term improvements in material living conditions. In the process, they create intangible, long-term health and developmental benefits for children. Studies of SNAP have concluded that young children in participating families are more apt than their peers in families that were eligible for SNAP but did not receive it to have access to adequate food throughout the year; as a result, they are "less likely to be underweight or at risk for developmental delays."[4] Similarly, children in families that receive help in paying for home energy costs "are more likely to have healthier weights for their age and less likely to be hospitalized when seeking care for acute medical problems."[5] Children who avoid health and developmental problems during their early years are on track to enjoy higher levels of well-being for the rest of their lives.

The economic difficulties stemming from the Great Recession have demonstrated the short-run and long-run importance of public investments in safety net programs and work supports to families with children; yet they also have illustrated some common administrative and policy problems. Fragmented delivery structures, flawed outreach models, conflicting eligibility rules, complex renewal procedures, and outdated administrative systems—all of these factors constrain effectiveness and result in sizable numbers of families not receiving all of the assistance for which they are eligible or not even qualifying for assistance at all. The combination of increased service demand and tight budgets stemming from the recession has exacerbated these shortcomings.

At the same time, the past few years also have been a period of heightened interest in safety net and work support programs on the part of the federal government, state governments, philanthropic institutions, and public policy organizations. A desire to assist the families upended by the recession has contributed to this interest, as has the recognition that budgetary limitations require efficient use of available resources. Both public and nongovernmental organizations have recognized that the implementation of the Patient Protection and Affordable Care Act offers unprecedented opportunities for improving coordination among multiple health and human service programs and reaching families that soon will become newly eligible for Medicaid or that currently are eligible but not enrolled.

To help inform the national discussion, this policy brief from First Focus, a bipartisan advocacy organization dedicated to making children a priority in federal policy and budget debates, offers an introduction to some of the opportunities and challenges facing public safety net and work support programs. This brief begins by summarizing key features of such initiatives and then explains their collective significance, paying special attention to their importance for the well-being and development of children. A review of limitations comes next, followed by an overview of some of the state-level reform efforts currently underway. The conclusion recommends several matters for the consideration of concerned public officials at the federal level.

KEY FEATURES OF SAFETY NET PROGRAMS AND WORK SUPPORTS

At their core, public safety net programs and work supports are cash and noncash resources provided to households with incomes below specified levels ("means tested"). Their purpose is to alleviate the hardships facing low-income families by boosting their total level of available resources. Some assistance assumes the form of direct grants of cash, but others are noncash awards, such as insurance or vouchers earmarked for the purchase of particular goods or services. Additionally, some initiatives function more as "safety nets" designed to help families experiencing a financial crisis afford basic needs, while others are "work supports" that narrow the gap between the low wages earned by many working families and the actual costs of basic living expenses.

A Federal-State Partnership

Consistent with the United States' federal structure of government, responsibility for the major safety net programs and work supports is shared between the federal government and the governments of the states (sometimes local governments as well). With SNAP, the federal government designs the program, administers it nationally, funds all of the benefits, and pays for half of each state's administrative costs; states and localities, in turn, operate the program and shoulder the remaining operating costs.[6] The federal government similarly pays for the bulk of the costs of Medicaid, a health insurance program for low-income Americans, but states are responsible for operating the program and financing the remaining expenses.[7] Moreover, some initiatives, such as SNAP, have rules and benefit structures that are uniform throughout the country, but others, like Medicaid and Temporary Aid to Needy Families (TANF), afford states considerable latitude in designing programs and setting the value of benefits and eligibility levels.

Shared responsibility for the administration of public programs, though in keeping with the American model of government, often creates problems in coordinating programs among various governmental agencies. Another consequence is that program rules, eligibility criteria, and benefit levels vary markedly from one state to another. A working parent in a three-person family living in Minnesota may qualify for adult Medicaid with a family income as high as 215 percent of the FPL, but the comparable maximum income threshold in Texas is 25 percent of the FPL.[8] These variations exhibit regional patterns; for example, the southern states generally offer much lower levels of support than the northeastern states.

A Diversity of Funding Structures

When it comes to the funding of public safety net programs and work supports, the federal government plays the leading role, but it does not fund every initiative in an identical manner.[9] Some programs, notably SNAP and Medicaid, are open-ended entitlements under which everyone who qualifies receives assistance. Other programs, such as the Children's Health Insurance Program (CHIP), are capped entitlements with a fixed level of federal funding, which means there may not be enough money to serve everyone who qualifies. A third set of programs, which includes TANF and the Low Income Home Energy Assistance Program (LIHEAP), encompasses discretionary block grants that Congress awards, usually based on a formula, to the states, which, in turn, enjoy leeway in how they use the funds. Still others are discretionary programs subject to yearly federal budget fluctuations. Lastly, some are tax expenditures that flow directly to individuals through the Internal Revenue Code: the Earned Income Tax Credit (EITC), the Child Tax Credit (CTC), and the Child and Dependent Care Tax Credit (CDCTC) are all examples of tax provisions geared to families with children.

A Broad Reach

Investments in public safety net and work support programs reach sizable numbers of American families. In fiscal year 2010-2011, an estimated 24.2 million adults and 19.9 million children participated in SNAP, and an average of 9 million persons per month received nutritional aid through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).[10] Medicaid provided insurance coverage to an average of 28.6 million children and 27.4 million adults in fiscal year 2010-2011, while some 8 million children received health insurance through CHIP.[11] In the average month in fiscal year 2010-2011, some 4.6 million persons, including 3.4 million children, were part of TANF.[12] That year, 31.8 million children benefited from the National School Lunch Program (NSLP).[13] Meanwhile, 2.5 million children drew subsidies for child care financed through the Child Care and Development Fund (CCDF) during the typical month in fiscal year 2008-2009.[14] In tax year 2011, more than 27 million taxpayers received the federal Earned Income Tax Credit (EITC), and an estimated 6.7 million taxpayers qualified for the Child and Dependent Care Tax Credit (CDCTC) in tax year 2010.[15] The CTC will provide an estimated 38 million families with $58 billion in tax credits in 2013.[16]

Public safety net programs and work supports reach tens of millions of families and children each year, but it is hard to document the collective reach of such programs. One reason is that meaningful disagreements exist as to which programs should be counted and which should not. Another is that differences in data systems and reporting requirements render it difficult to identify the number of unique families participating in all of the programs. For the purposes of this brief, the set of initiatives of interest consists of the eight benefit programs and three tax credits mentioned to this point: CCDF, CTC, CDCTC, CHIP, EITC, LIHEAP, Medicaid, NSLP, SNAP, TANF, and WIC. Three are nutritional programs (SNAP, NSLP, and WIC), two are medical insurance programs (Medicaid and CHIP), two pertain to basic needs (TANF and LIHEAP), three relate to child care (CCDBG, CTC, and CDCTC), and one is a wage supplement (EITC). Table 1 provides summary information for safety net program and work support.

For the purposes of this brief, the set of initiatives of interest consists of … CCDF, CTC, CDCTC, CHIP, EITC, LIHEAP, Medicaid, NSLP, SNAP, TANF, and WIC.

IMPORTANCE TO FAMILIES AND CHILDREN

Public safety net programs and work supports are powerful tools for improving the economic, social, and physical well-being of families with children. Such initiatives aid families experiencing short-term crises like unemployment, making it easier for parents to meet children's basic needs. Those that act as work supports help keep adults attached to the labor force and narrow the gap between the low wages paid by many jobs and the high costs of basic living expenses, thereby encouraging parents to climb the economic ladder and improving their long-term abilities to meet their children's needs. The relative importance of the two functions, however, varies with the business cycle: the work support aspect was more prominent during the boom of the late 1990s, but the safety net dimension has been more visible during the recent bust. Regardless of the particular point in the business cycle, public benefit programs and work supports can encourage economic independence and reduce poverty among families.

Table 1. Summary of Selected Characteristics of Public Safety Net Programs and Work Supports, by Category

	Program/ Work Support	Target Population(s) and Purpose(s)	Federal Agency	Funding Structure	State Role	Income Limits	Participants (Year, Est.)
Basic Needs	Low income home energy assistance program (LIHEAP)	Assist low-income households with home energy bills, short-term energy crises, weatherization and minor energy-related home repairs	HHS	Federal block grant to states	Administer the program; states have flexibility to design their programs within broad federal guidelines	Maximum income level is the greater of 150% of the federal poverty level or 60% of state median income; states may not set an income threshold lower than 110% of the federal poverty level, but they can prioritize aid to households with the greatest energy/financial needs	5 million households (heating only, FY 2007-08)
	Temporary assistance to needy families (TANF)	Provide monthly cash assistance to very low-income families with children	HHS	Federal block grants to states	States administer the block grants and have significant leeway in designing and operating programs; states also must match a share of the federal funding	Income eligibility levels vary by state	4.6 million persons (monthly average in FY 2010-11)

Child Care	Child care assistance (Child Care and Development Fund)	Assist low-income adults with children to participate in employment and/or education and training; expand educational opportunities for low-income children	HHS	Federal block grants to states with capped federal funding	States administer programs and have considerable leeway in establishing eligibility criteria, program rules, provider rates, and copayment amounts	Federal maximum limit of 85% of state median income	2.5 million children (monthly average in FY 2008-09)
	Child and dependent tax credit	Provide financial assistance to taxpayers who incur expenses to care for a child or other qualifying dependent	IRS	Nonrefundable tax credit provided directly to qualifying taxpayers	No role in federal program, but some states have established state-level credits linked to the federal one	Families with adjusted gross incomes below $15,000 receive a 35% credit that gradually falls in value to 20% for families with adjusted gross incomes over $43,000; maximum value is $3,000 for one dependent or $6,000 for two or more dependents	6.7 million taxpayers (TY 2010)
	Child tax credit	Provide financial assistance to taxpayers who incur expenses for child care	IRS	A partially refundable tax credit worth a maximum of $1,000 for each child under age 17 (scheduled to fall to $500 per child after 2017)	No role in federal program, but some states have similar tax credits in their own tax codes	Married-couple families with a modified adjusted gross incomes below $110,000 ($75,000 for single filers) may receive a $1,000 credit; for families with higher modified adjusted gross incomes, the value of the credit is reduced by 5 percent; the credit generally is not refundable, though certain low-income families ineligible for the full credit may receive a partially refundable credit	38 million families (TY 2013)

Health Insurance	Medicaid	Provide health care for the aged, blind, disabled, and mothers receiving public assistance	HHS	Entitlement program funded jointly by the federal government and the states	States administer the program, provide matching funds, and determine eligibility, coverage, and payment rates, consistent with federal requirements	Eligibility varies by population and state; certain core populations must be covered and for such groups the maximum income level generally is 133% of the federal poverty level	56 million persons (FY 2010-11)
	Children's health insurance program (CHIP)	Provide health care for children in low-income households by filling the gap between public health coverage and employer-sponsored coverage	HHS	Entitlement program with capped federal funding	States administer the program, provide matching funds, and determine eligibility, coverage, and payment rates, consistent with federal requirements	Varies by states with most states covering children with incomes below 200 percent of the federal poverty level	7.9 million children (FY 2010-11)
Nutrition Assistance	National school lunch program (NSLP)	Provide low-cost or free lunches to low-income students	USDA	Entitlement program with capped federal funding	States authorize local school districts to participate in the program, reimburse participating districts, and match a share of federal funds	Children with family incomes below 130% of the federal poverty level are eligible for free meals; those with family incomes between 130% and 185% of the federal poverty level are eligible for reduced-price meals	31.8 million children (FY 2010-11)
	Supplemental nutrition assistance program (SNAP)	Improve the nutritional levels of low-income households	USDA	Entitlement program funded jointly by the federal government and the states	The federal government pays for all benefits and roughly half of state administrative costs	Gross household income generally cannot exceed 130% of the federal poverty level; some populations automatically eligible	21.1 million households (FY 2010-11)

Nutrition Assistance (Continued)	Special supplemental nutrition program for women, infants, and children (WIC)	Provide nutritious food; nutrition education and counseling, and health/social service screenings and referrals to low-income pregnant women, breastfeeding women (to infant's 1st birthday), nonbreastfeeding postpartum women (six months), infants (to 1st birthday), and children (to 5th birthday) who are nutritionally at risk	USDA	Discretionary federal grant program that supports benefits and state administrative costs	States administer the program and may provide supplemental funding	Individuals who fall into one of the service categories must have an income between 100% and 185% of the federal poverty level (varies by state) and be deemed to have a "nutrition risk" by a health professional	9 million women, infants, and children (monthly average in FY 2010-11)
Wage Supplement	Earned income tax credit (EITC)	Supplement the wages of low-income parents by reducing the impact of taxes; certain earners without children may qualify	IRS	Refundable tax credit provided directly to households	No role in federal program, but 24 states have established state-level credits based on the federal one	Maximum income level of between $36,000 and $49,000, depending on marital status and family size; credit has a gradual phase-out range	27 million taxpayers (TY 2011)

Sources: Randy Albelda and Heather Boushey, *Bridging the Gaps: A Picture of How Work Supports Work in Ten States* (Washington, DC: Center for Economic and Policy Research, 2007), 23; Shelley Waters Boots, *Improving Access to Public Benefits: Helping Eligible Individuals and Families Get the Income Supports They Need* (New York: Ford Foundation, 2010), 15; Center on Budget and Policy Priorities, *Policy Basics*, various issues, http://www.cbpp.org/policyBasics; Tax Policy Center, "Taxation and the Family: What is the Child Tax Credit?, accessed June 1, 2013, http://www.taxpolicycenter.org/briefing-book/key-elements/family/ctc.cfm; and web sites of responsible federal agencies. Data on program participation also derived from information on the web sites of the responsible federal agencies; for more information on sources, see reference nos. 11-16 in the full policy report.

AIDING WORKING FAMILIES

Popular discussions of safety net programs and work supports often reflect flawed understandings of economic hardship in the United States. The stereotypical depiction of these initiatives is as aid for the "poor," a static group of persons and households who have minimal ties to the labor market and who depend on assistance for their entire incomes. Even if this description accurately portrayed an earlier era in American policy history, it is not applicable to current circumstances. Today, poverty is in no way a static phenomenon. Between 2004 and 2006, some 78.3 million Americans—of whom 25.7 million were children—spent at least two months living in poverty, but only 6.3 million of those individuals, including 2.2 million children, were in families that had incomes below the FPL for the entire three-year period. Put differently, 92 percent of impoverished Americans were episodically rather than consistently poor.[17]

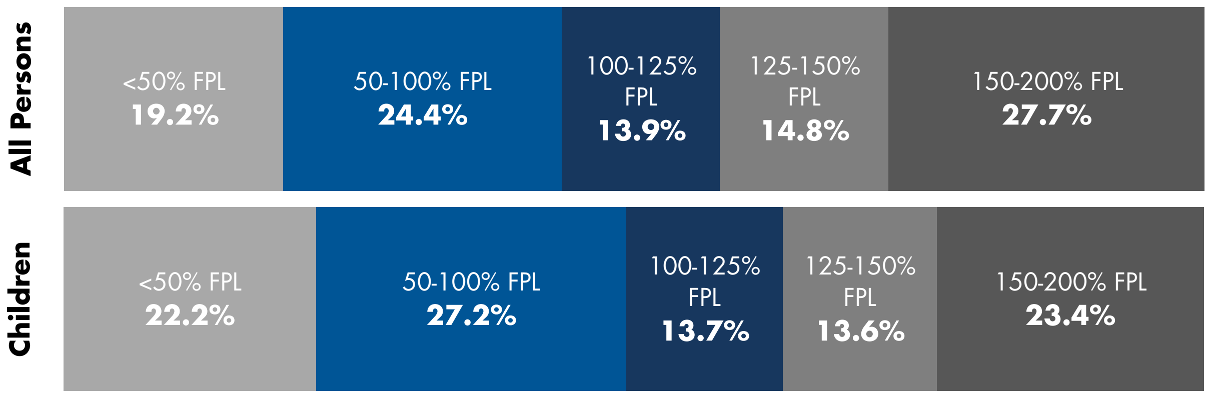
Furthermore, many low-income families that participate in safety net programs and work supports include adults who have jobs. In fiscal year 2010-2011, about half of all households with children participating in SNAP received wages or other earned income, but even with those resources, they still had incomes below 130 percent of the FPL, which is the program's income threshold.[18] For some families, participation is temporary, as when a household receives SNAP for a few months during a spell of unemployment. Other initiatives require work: only taxpayers with earned income may claim the EITC, and even then, 61 percent of the taxpayers who claimed the credit between 1989 and 2006 did so for no more than two consecutive years.[19] Moreover, some programs deliberately set their eligibility thresholds above the FPL to encourage work. If, say, a low-income working family lost its medical insurance the moment its income crossed the poverty line, the value of the lost insurance would outweigh any incremental gain in income, thereby creating an incentive not to work more.[20]

The gap between the low wages paid by many jobs and the cost of basic living expenses is perhaps the most basic reason why so many working families use safety net programs and work supports. The Center for Economic and Policy Research, a public policy organization in Washington, DC, has documented the steady rise in the number and proportion of "bad" jobs in the United States. Between 1979 and 2010, the share of workers in jobs that pay less than $37,000 per year, offer no employer-provided health insurance, and have no company retirement plan rose from 17.7 percent to 24.4 percent, with the bulk of the jump having occurred prior to the last recession.[21] The growth in bad jobs is a key reason why families with children now are more apt to have annual incomes below the FPL than was the case in 1975, despite being more likely to have at least one full-time, year-round working adult member.[22]

Closing the Income Gap and Lifting Children Out of Poverty

The extent of low-wage work helps explain why 34.4 percent of all Americans in 2011 lived in households with annual incomes below twice the FPL ($36,246 for a family of three).[23] Of those 106 million persons, 43.6 percent had incomes below the FPL, and the remaining 56.4 percent had incomes between one and two times the FPL. Compared to the general population, children under age 18 were more likely to live in households with incomes below twice the FPL, households with incomes below the FPL, and households with incomes below half of the FPL (Figure 1).[24]

Figure 1. Distribution of Population with Incomes below 200% of the Federal Poverty Level (FPL), Selected Groups, United States 2011



Source: Carmen DeNavas-Walt, Bernadette Proctor, and Jessica Smith, *Income Poverty, and Health Insurance Coverage in the United States: 2011* (Washington, DC: US Census Bureau, 2012), 14 and 18, http://www.census.gov/prod/2012pubs/p60-243.pdf.

While commonly perceived as a measure of the minimum income that a family needs to make ends meet, the FPL statistic has lost its adequacy as a gauge of basic living standards and "produces a picture of poverty that is out of focus."[25] In fact, the FPL "now excludes the majority of low-income Americans who experience food insecurity, including the most [severe] form of food insecurity, and majorities or near-majorities of low-income Americans who [are] experiencing other forms of economic hardship."[26] One response to this problem is to measure income adequacy against a more realistic standard pegged to actual living costs. In 2008, the Economic Policy Institute, a public policy organization in Washington, DC, compiled a detailed set of basic family budgets that indicated that a typical four-person family in the United States required an annual income of $48,778 to afford the market prices of a bundle of basic goods and services. That threshold was 2.2 times greater than the FPL for a four-person family.[27]

Effective safety net programs and work supports are those that succeed in closing—or at least narrowing—the gap between a family's resources and either the FPL or a more realistic living standard. Documenting the effects of transfer payments on poverty rates long has been difficult because the official FPL statistic fails to account for the value of numerous safety net and work support benefits, such as LIHEAP, NSLP, SNAP, and WIC. However, a supplemental poverty measure recently developed by the US Census Bureau accounts for those benefits, among other things, in a manner that illustrates their effects. After adjusting for those factors, the national poverty rate in 2011 equaled 16.1 percent compared to an official rate of 15.1, a difference that was statistically significant. The child poverty rate, meanwhile, was considerably lower (18.1 percent versus 22.3 percent), owing to the fact that many of the benefits excluded from the official FPL disproportionately benefit children.[28]

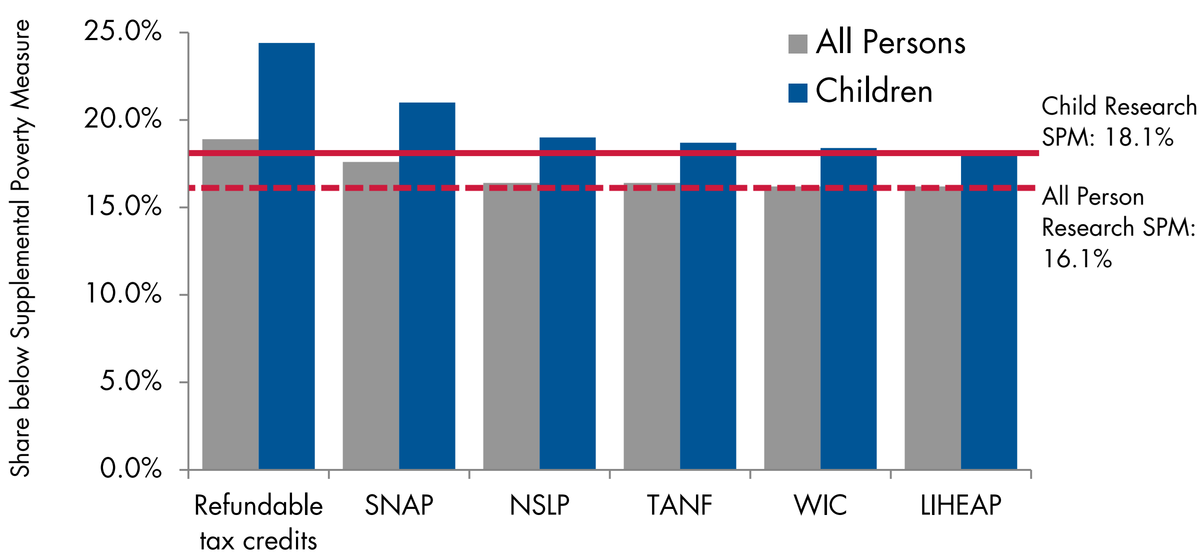
Figure 2 illustrates the differences in the supplemental poverty rates for all persons and children caused by counting or excluding specific safety net programs and work supports in the calculation, holding all else equal. The inclusion of refundable tax credits by itself reduced the overall poverty rate by 2.8 percentage points and the child poverty rate by 6.3 percentage points; by one estimate, the EITC and CTC together lifted the families of 4.9 million children above the FPL in 2011.[29] SNAP benefits reduced the overall and child poverty rates sharply below what they otherwise would have been. Other programs of interest to this brief—NSLP, TANF, WIC, and LIHEAP—had positive effects on poverty rates, though their impacts were not as pronounced as the refundable tax credits or SNAP.[30]

Another way to demonstrate the impact of public safety net and work support programs is to consider the extent to which they narrow the gap between family income and a basic budget level. Using family budgets similar to those developed by the Economic Policy Institute, a multistate research team found in 2007 that a selected group of benefits closed, on average, 43.9 percent of the gap between what low-income families in nine states and the District of Columbia earned and the cost of a bundle of basic living expenses. On average, six programs (CCDF, EITC, SNAP, Medicaid/CHIP, TANF, and housing assistance) raised total family resources by $8,000 per year and managed to move approximately one-fifth of low-income working families living in the jurisdictions studied above their basic budget thresholds.[31]

The interconnections between public safety net programs and work supports and the low-wage labor market often cause observers to see working adults as the programs' target population and primary beneficiaries, with children benefiting indirectly through increases in household resources. Children indeed benefit when their parents have more dollars, but they benefit, too, from public investments in their own right. In fact, public policies and initiatives play a pivotal role in reducing child poverty over time and fostering long-term child development.

Public safety net programs and work supports play an important role in reducing rates of child poverty in the United States, although the country still has childhood poverty rates higher than many industrialized nations.[32] To reduce childhood poverty, such programs must be one strand in a broader policy agenda designed to promote remunerative work, provide financial support to families with children, and invest directly in children. Evidence from the United Kingdom's recent efforts to reduce childhood poverty suggests that such a three-part strategy can yield successes. Between 1998-1999 and 2008-2009, Great Britain reduced its number of poor children by more than half when measured against an absolute poverty threshold like that used in the United States and by 15 percent when measured against a relative poverty threshold.[33] The British experience suggests that strong public investments not only can ameliorate child poverty's worst aspects but also can reduce substantially its extent.

Figure 2. Effect of Excluding Individual Public Benefits and Work Supports on Research Supplemental Poverty Measure, Selected Populations, United States, 2011



Source: Kathleen Short, The Research Supplemental Poverty Measure, 2011 (Washington, DC: US Census Bureau, 2012), 15, http://www.census.gov/prod/2012pubs/p60-244.pdf.

Fostering Long-Term Child Development

Reducing child poverty is a powerful means for creating long-term improvements in child health and development. Multiple scholarly studies have concluded that "children who experience poverty, particularly if it occurs early in their life or for an extended period, are at risk for a host of adverse health and developmental outcomes" and that "these outcomes impose costs not just for the children who experience them, but also for the rest of society."[34] Perhaps the most succinct summary of the deleterious effects of child poverty comes from a statement issued in early 2013 by the Academic Pediatric Association, a professional association based in Northern Virginia:

> Poor children have increased infant mortality, higher rates of low birth weight and subsequent health and developmental problems, increased frequency and severity of chronic diseases such as asthma, greater food insecurity with poorer nutrition and growth, poorer access to quality health care, increased unintentional injury and mortality, poorer oral health, lower immunization rates, and increased rates of obesity and its complications. There is also increasing evidence that poverty in childhood creates a significant health burden in adulthood that is independent of adult level risk factors and is associated with low birth weight and increased exposure to toxic stress (causing structural alterations in the brain, long-term epigenetic changes, and increased inflammatory markers).
>
> The consequences of poverty for child and adolescent well-being are perhaps even more critical than those for health. These are the consequences that may change their life trajectories, lead to unproductive adult lives, and trap them in intergenerational poverty. Children growing up in poverty have poorer educational outcomes with poor academic achievement and lower rates of high school graduation; they have less positive social and emotional development which, in turn, often leads to life 'trajectory altering events' such as early unprotected sex with increased teen pregnancy, drug and alcohol abuse, and increased criminal behavior as adolescents and adults; and they are more likely to be poor adults with low productivity and low earnings.[35]

Studies of public safety net and work support programs indicate they are successful in avoiding the adverse outcomes about which the Academic Pediatric Association warns. One analysis of SNAP likened its results to those of "an effective immunization," in that young children in participating families have reduced levels of food insecurity, are less apt to be underweight, and have lower risks for developmental delays than their peers in families that were eligible but did not receive SNAP.[36] Researchers have found similar relationships with other initiatives like WIC and LIHEAP.[37] Even tax credits can have a powerful impact on long-term health and well-being. Evidence indicates that the children in families that receive the EITC "do better in school, are likelier to attend college, and earn more as adults."[38]

The value of investments in child well-being is even greater during recessions. First Focus released an analysis in 2009 that compared the long-term experiences of children who fell into poverty during two American recessions to those of their peers who managed to avoid poverty. It revealed that "children who fall into poverty during a recession will fare far worse along a range of variables than will their peers who did not fall into poverty," with children who were in poverty at the start of a recession and who stayed there faring even worse.[39]

ROOM FOR IMPROVEMENT

At first glance, safety net programs and work supports appear to reach a broad swath of American families. In the average month in 2010, some 31.1 million American households—slightly more than one of every four—received at least one means-tested, noncash safety net benefit (SNAP, WIC, NSLP, LIHEAP, Medicaid, or housing assistance). On average, 19.1 percent of all American households participated in Medicaid, either alone or in combination with another program, while 11.7 percent received SNAP, again either alone or in combination with other supports.[40] And a focused analysis on households from the third quarter of 2011 shows that 22.7 percent of those with at least one working member participated in at least one means-tested, noncash safety net program.[41] Upon closer inspection, however, these programs actually fail to reach as many Americans as they could, as effectively as they could, for reasons intertwined with programmatic structure and administration.

Three Gaps in the Safety Net

One way to think about opportunities for improving public safety net programs and work supports is in relation to three gaps: the eligibility gap, the coverage gap, and the hardships gap.[42]

Because most programs are means-tested, only households with incomes below a certain threshold may receive assistance, provided, of course, they meet any other financial or nonfinancial requirements. The income thresholds used in most programs equal some percentage of the FPL, but as mentioned previously, the FPL has lost it adequacy as a measure of living standards. Many low-income working families therefore are ineligible for many public programs: they earn too much to be considered "poor" but too little to be self-sufficient. A three-person household with an annual income equal to 150 percent of the FPL ($27,185 in 2011), for instance, is ineligible for SNAP, which has an income threshold set at 130 percent of the FPL. That is an example of the *eligibility gap*. While definitive estimates are hard to find, the 2007 study of nine states and the District of Columbia mentioned earlier found that an average of 21.2 percent of low-income households were not eligible for any of six programs.[43]

Even when families are eligible for a particular program, there is no guarantee they will receive it, a phenomenon referred to as the *coverage gap*. Consider how estimates compiled by the US Department of Health and Human Services indicate that CCDF child care subsidies reached just 18 percent of potentially eligible children during the average month in 2009.[44] Meanwhile, the multistate analysis of benefit programs mentioned previously concluded that a majority of the six studied benefits "do not cover even two-thirds of those eligible to receive them."[45] That study found that coverage gaps vary from one state to another and from one program to another, even within the same state; in general, the EITC, Medicaid, and CHIP cover the largest proportions of eligible households, while housing and child care assistance—followed by TANF and SNAP—reach the smallest shares.[46] Another problem is that relatively few families that are eligible for multiple programs receive all the benefits for which they qualify. By one estimate, only 4.9 percent of families with incomes below twice the FPL in 2001 received SNAP, Medicaid/CHIP, and child care assistance; among poor families, the share participating in all three programs was 7.1 percent.[47]

The final gap is the *hardships gap*, which reflects the divide between a household's resources and a basic living standard. In principle, a high-performing system will raise the total amount of available household resources to a targeted level, yet the modest nature of many safety net programs and work supports prevents that from happening. In no state will receipt of the maximum TANF benefit raise the income of a three-person family above 50 percent of the FPL ($9,062 in 2011), and in 29 states, that maximum TANF benefit is worth less than an amount equal to 30 percent of the FPL ($5,437 in 2011).[48] Even when three-person families participate in both SNAP and TANF, their total incomes fall below 75 percent of the FPL ($13,592 in 2011) in all but one state.[49] Receipt of assistance by families higher up the income ladder may help them move closer to a basic living standard, due in large part to the value of the EITC, but even then, many households still fall short. As noted earlier, the combined value of six public safety net programs succeeded in moving a fifth of low-income working families above a basic budget level in a group of 10 jurisdictions.[50]

Explaining the Three Gaps

The eligibility, coverage and hardships gap originate from policy, household, and institutional factors. The eligibility gap, for one, is a byproduct of the fact that most programs—with the exceptions of tax credits, CHIP, and CCDF—originally were safety net programs "intended to serve families with little or no earnings, at income levels below or near the official federal poverty line" and were not work supports "explicitly designed to help families whose earnings fluctuate over the year."[51] Those initiatives consequently are not responsive to the needs of families attempting to support themselves through the low-wage labor market.

> In no state will receipt of the maximum TANF benefit raise the income of a three-person family above 50 percent of the FPL ($9,062 in 2011), and in 29 states, that maximum TANF benefit is worth less than an amount equal to 30 percent of the FPL ($5,437 in 2011).

Coverage gaps, meanwhile, arise from different factors. In some situations, the problem is that otherwise-qualified families fail to apply for benefits for any number of reasons: a lack of awareness about an initiative's existence, a mistaken or outdated understanding of eligibility criteria, and a fear of social stigma, to name but a few.[52] Household structure plays a role, with research finding that single-parent families, families with young children, families with parents who are not immigrants, and families without a full-time worker are more apt to participate than other types of families.[53] Institutional factors matter as well. Such factors include "the complexity of application requirements, the need to apply for individual benefits at multiple locations, and the difficulty in retaining benefits."[54] Program design matters, too. The available evidence suggests that "relatively well-funded programs that are widely available and relatively easy to access will be most successful in reaching their intended recipients," which may explain why open-ended entitlements like the EITC, SNAP, and Medicaid reach more eligible families than initiatives structured as capped block grants, like child care assistance.[55]

Lastly, hardship gaps largely are the product of policy choices, both those internal and external to particular programs. TANF is a good example of this. Since its establishment in 1996, 17 states have maintained the same maximum benefit in nominal terms, while six states have reduced the maximum nominal benefit amount below the 1996 level.[56] This translates into a sizable reduction in value after controlling for inflation; it hardly is surprising, then, that the maximum TANF payment fails to raise the incomes of three-person families above 50 percent of the FPL in any state. Meanwhile, policy choices that have facilitated the growth in low-wage work and "bad" jobs in general, such as a failure to maintain a robust minimum wage, have increased the number of families experiencing economic hardships in the first place.

STATES DECIDE WHETHER INITIATIVES WORK

Owing to the dominant role that the federal government plays in authorizing and funding public safety net programs and work supports, attention often gravitates toward that level of government. The federal government indeed is important, but in actuality, state governments and state policy choices contribute the essential, albeit often invisible, ingredients required for effectiveness. The latitude granted by many initiatives to states, however, has created wide variations in the effectiveness of public investments. States that set strict eligibility criteria, stigmatize applicants, impose complicated renewal procedures, fail to provide adequate funding, and maintain outdated rules and benefit structures will have less effective programs than those that employ more inclusive and proactive policies. In sum, "states that have more inclusionary policies and cover more families above the official poverty thresholds are likely to have fewer families in the hardships gap," in the same way that "states that do a better job of ensuring that all who are eligible for public benefits receive them also have a smaller number of people living in the hardships gap."[57]

State choices have a sizable impact on the overall well-being of children living in low-income families. A 2012 study released by the Foundation for Child Development found that "a child's well-being is strongly related to the state where he or she lives."[58] As obvious as it seems, states that extend health insurance coverage through public programs have lower proportions of uninsured children than states that limit coverage. And there appear to be significant, positive statistical correlations between a state's level of child well-being and both child income eligibility standards for Medicaid and the size of TANF benefits per child. The higher the Medicaid income eligibility cut-off, the higher a state's level of child well-being, and the higher a state sets its per-child TANF benefit, the better off its children are.[59]

The pending implementation of the Patient Protection and Affordable Care Act (ACA) highlights the importance of the relationship between state government policy and safety net and work support initiatives. Under the ACA, states may expand Medicaid to cover anyone with an income up to 138 percent of the FPL. If every state were to do so, at least 17 million more nonelderly, low-income people would receive coverage.[60] Uninsured people with higher incomes will be able to use federal tax subsidies to purchase coverage through new health insurance exchanges. The ACA further provides states with opportunities to connect other forms of assistance to the new health care infrastructure. On the one hand, such integration may reduce the bureaucratic obstacles confronting families in need and yield administrative savings for states. On the other hand, integration may require the outlay of implementation funds and raise overall costs.[61] Regardless, the ACA confronts states with complex policy and management choices and challenges that require careful consideration to reach outcomes in the best interest of low-income families.

State Reform Efforts

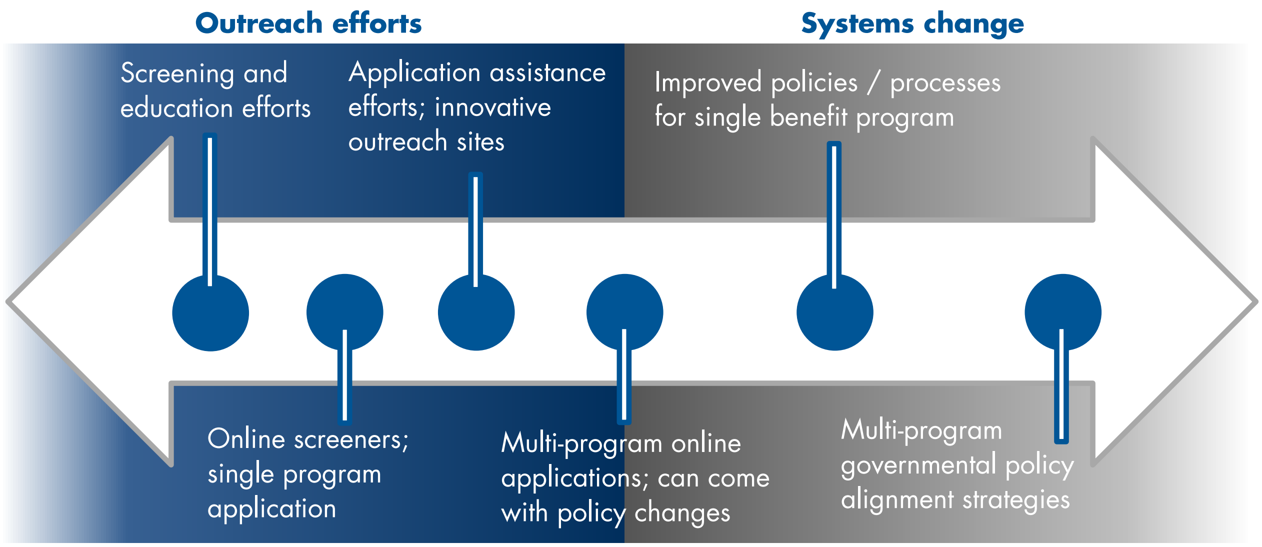
Even before the onset of the Great Recession, a realization that programs were not serving as many people as they could, as effectively as they could, was taking hold in state governments. State officials, particularly public administrators in the responsible agencies, perceived that "more streamlined and modernized processes could help low-income working families get and keep the full package of work support benefits for which they are eligible" and that "streamlining benefit delivery can also reduce the burden on state workers by further stretching states' scarce administrative dollars and potentially saving money."[62] In recent years, the federal government, philanthropic institutions, and public policy organizations also have recognized the promise of efforts to strengthen safety net programs and work supports in a systematic and coordinated fashion; for example, a consortium of foundations currently is investing $20 million in the multistate, multiyear Work Support Strategies Initiative.[63]

A CONTINUUM OF REFORM EFFORTS

At first glance, there seem to be two related yet distinct approaches for strengthening safety net programs and work supports.[64] First, there are *outreach efforts* that aim to connect households potentially eligible for particular programs to those programs, and second, there are attempts at *systems improvements* that endeavor to improve program administration and efficiency. In actuality, the two approaches blend together: successful attempts at improving outreach to eligible families may create momentum for changes in systems, and improvements in systems may generate efficiencies that allow for enhanced outreach.

Figure 3 illustrates the overlap between outreach efforts and systems improvement by way of a "continuum of change" first developed for a consortium of concerned philanthropic foundations.[65] The left side of the continuum encompasses outreach efforts, such as those that raise public awareness and those that use computer software to help screen potential applicants for their eligibility for multiple forms of assistance.[66] Community-based organizations lead many of these initiatives; examples include The Benefit Bank, which currently is active in 10 states; *Earn* Benefits, which has a presence in eight states; and Single Stop USA, which is engaged in seven states.[67] Furthermore, some state agencies have attempted on their own to use technology to streamline the application, compliance, and renewal requirements associated with multiple benefit programs. Examples include the Common Point of Access to Social Services (COMPASS) crafted by Pennsylvania's Department of Public Welfare and the "Washington Connection" established by Washington State with philanthropic support in 2010.[68]

Figure 3: Continuum of Reforms to Public Safety Net Programs and Work Supports



Source: Shelley Waters Boots, *Improving Access to Public Benefits: Helping Eligible Individuals and Families Get the Income Supports They Need* (New York: Ford Foundation, 2010), 7.

At the other end of the continuum are efforts at systems improvement, which involve "not simply technology fixes, but rather a change in underlying state rules that ease burdens on clients."[69] An example would be for a state to adopt the "Express Lane Eligibility Option" allowed by federal law and use the findings of one initiative's eligibility determination process to inform the eligibility determination process for another initiative, even if the second normally employs a different methodology. For example, the determination that a child who already is receiving SNAP is income-eligible for Medicaid would use the SNAP income calculation rather than the Medicaid one.[70]

Systems Reforms in the States

Although all of the types of change efforts located along the continuum have the potential to benefit low-income families, those related to systems improvement are of greatest interest to this brief. At their core, such initiatives strive to close some combination of the eligibility, coverage, and hardships gaps by altering the policies, procedures, and administration associated with multiple public safety net programs and work supports.

Improving Policies

As the creation of virtually all of the major safety net programs occurred prior to the widespread availability of information technology, public safety net programs rely heavily on a "paper chase" approach to determining, maintaining, and renewing eligibility. The historical model for determining "eligibility for each individual benefit program was based primarily on a dyad: the consumer who submitted an application and supporting documentation; and the caseworker, who processed the application and analyzed the proffered documentation, sometimes by consulting external sources of data as a final check on eligibility."[71] Yet this approach is complicated and inefficient. Public administrators must review and process tremendous volumes of paperwork, while applicants must navigate the complex requirements of each individual initiative—many of which are similar but not identical—across multiple agencies on schedules that fail to account for employment obligations. This complexity is an important contributor to the coverage gap.

Thanks to recent advance in information technologies, it is possible to streamline and simplify eligibility determination policies. Adopting deemed eligibility is one such simplification. Different programs afford states the option to use the "eligibility determination from one program to automatically confirm eligibility in other programs and enroll the family in those other programs."[72] For instance, children who live in households participating in the SNAP or TANF programs may qualify automatically for NSLP.[73] With regard to children, Louisiana and South Carolina are two states that successfully have employed deemed eligibility. Louisiana enrolls every child eligible for SNAP in Medicaid, even though the two programs normally employ different definitions of income. South Carolina implemented a similar model for recertifying children as being eligible for the Medicaid program—a model estimated to have affected positively tens of thousands of children in its first months and that was on track to yield $1 million in administrative savings during its first year of operation.[74] In the process, both states not only have realized cost savings but also have reduced program "churn," a phenomenon in which a person who loses a given support is recertified shortly thereafter.

Another method for improving application requirements is to eliminate eligibility requirements that are not easy to verify against available records. While administrators easily can compare a family's reported income to its tax returns, they have a much harder time independently verifying the value of any assets owned by a family. That is one reason why many states have repealed or limited the use of asset tests in programs that permit them. By late 2012, some 35 states no longer imposed an asset test for SNAP, with those that eliminated the tests having experienced minimal growth in caseload levels.[75] Moreover, the ACA effectively precludes the use of asset tests within the Medicaid and CHIP programs, so the states that still have those tests (27 have them for adults, three for children) soon will need to drop them anyway.[76]

States further may streamline the amount of paperwork associated with verifying eligibility and renewing participation. Traditionally, states required families receiving assistance to report even minor changes in their circumstances within a short period of time or face various sanctions. This imposed significant compliance costs on families and public employees. In response, a number of states have implemented "continuous eligibility," a process in which participants in such programs as Medicaid, CHIP, TANF, and CCDF must provide basic updates in the set period between formal eligibility reviews. Currently, an estimated 23 states have incorporated continuous eligibility for child participants in Medicaid, which means that their families must provide minimal updates during the 12-month period between eligibility reviews, while 28 states have done the same with their CHIP programs; additionally, 23 states have standardized the requirements of the two programs.[77] Other states, meanwhile, have simplified other aspects of the verification process. Rhode Island, for one, reduced churning in its child care program by replacing the requirement that parents provide weekly copies of their actual work schedules with other requirements with which it is easier to comply.[78]

Streamlining Procedures

In addition to improving the policies used to determine eligibility, states have improved the procedures employed to manage public safety net programs and work supports, particularly the procedures required to apply initially, maintain ongoing eligibility, and renew participation.

One method for achieving this goal is to consolidate and coordinate applications across multiple programs. Colorado, for example, recently overhauled the joint application required to apply for SNAP, Medicaid, TANF, and certain other state initiatives, reducing the length from 26 pages to eight pages.[79] In the same vein, some states have established "no wrong door" strategies to ensure that families connect with assistance for which they are eligible, even if they initially apply at an office responsible for a program for which they are ineligible or transition from one program to another following a change in circumstances. By linking the data systems used in the separately administered Medicaid and CHIP programs, Pennsylvania has ensured that children who no longer qualify for Medicaid—most probably because their household earnings have risen—transition seamlessly into CHIP, which has a higher income limit.[80] This prevents children from experiencing gaps in their insurance coverage.

Another beneficial procedural change is a mundane one: aligning renewal or recertification schedules across a range of programs. Many safety net programs require families to undergo recertification at specified intervals, but these intervals often vary from one program to another. SNAP often requires recertification every six months, but Medicaid and CHIP may have a 12-month window. The differing schedules boost the odds that families may miss a deadline and lose assistance for which they otherwise are qualified, only to re-qualify at a later date. To prevent that "churn," some states have attempted to align recertification periods. In Idaho, aligning the recertification dates used for child care subsidies with those of other forms of assistance reduced the number of families that lost their subsidies during the recertification period.[81]

Bettering Management

A final set of reforms underway relates to the ways in which states organize work within the agencies responsible for various programs. The rationale behind such changes is that states must improve internal processes to make efficient use of scarce resources and to improve the services offered to families. Put simply, the intent is to do business differently.

Changing modes of doing business often requires public officials to devote attention to matters related to information technology and process management. A longstanding weakness in the administration of public programs in many states is the limited usefulness of data systems. As one review of nine states noted, "Outdated technology made it hard to gather good data, few staff could bridge IT and data expertise with program expertise to figure out the right questions and then to get the right answers, and few state or local managers regularly reviewed data to help them make important decisions."[82] Improving information technologies therefore is an essential part of any reform initiative. Beyond that, states must reconsider how they organize work processes. Over the past few years, for instance, Illinois has reorganized its human services to focus on process management rather than case management. By separating functions previously performed by one caseworker into constituent parts, the state appears to have streamlined both the flow of families through the system and the workloads of public employees.[83]

CONSIDERATIONS FOR FEDERAL POLICYMAKERS

As the responsibilities for administering the major safety net programs and work supports is shared between the federal government and those of the states, decisions reached in Washington D.C. have the potential to advance or impede state efforts to improve safety net and work support initiatives—initiatives that have increased in importance in the wake of the economic upheavals of the past five-and-a-half years. While much of the practical, day-to-day work of improving these initiatives occurs in state capitals and responsible state agencies, federal decisions determine the range of options and possibilities available to states seeking to address various combinations of the eligibility, coverage, and hardships gaps described earlier in this paper.

Maintain Support for Key Public Initiatives

Going forward, the federal government, at a bare minimum, should maintain current levels of support for essential public safety net programs and work supports. After all, the past few years have demonstrated clearly the power of these initiatives in ameliorating economic hardships for families and children. By one account, temporary expansions in the EITC and CTC authorized under the 2009 American Recovery and Reinvestment Act (ARRA) lifted 654,000 adults and 913,000 children above the FPL in 2010. Temporary expansions in SNAP benefits, meanwhile, kept 539,000 adults and 450,000 children out of poverty, while existing SNAP policies prevented another 3 million adults and children from becoming impoverished.[84]

Despite the powerful impact of safety net programs and work supports demonstrated during the recession and the subsequent jobless recovery, financial support for these essential initiatives is under pressure. Some of the financial concern is due to the scheduled expiration of provisions that originally were part of the ARRA. For instance, the temporary increase in the maximum monthly SNAP benefit is set to expire at the end of October 2013, and that expiration will impact every participating SNAP household, with the maximum benefit received by a three-person family projected to fall by $20 to $25 per month.[85] Other programs are under financial pressure as the result of federal funding decisions like the "sequester" established under the 2011 Budget Control Act. Possible sequester-related reductions to WIC, for example, could force between 575,000 and 750,000 eligible women and children to lose nutritional assistance.[86] Similarly, some improvements to certain refundable tax credits, notably the CTC, are short-term in nature and will revert to less generous levels in a few years absent congressional action.[87] Regardless of the exact cause, reductions in financial support will prevent effective programs from serving as many eligible families as they could, as effectively as they could.

Reduce the Need for Safety Net and Work Support Programs

As mentioned previously, the gap between the low wages paid by many jobs and the high costs of basic living expenses is perhaps the most basic reason why so many working families turn to public safety net programs and work supports. Enacting national public policies that reduce the extent of low-wage work throughout the country therefore is a powerful means for reducing the need for safety net benefit programs. Realizing that goal, however, requires a combination of complementary public policies designed to tie job quality to economic growth.

Raising the minimum wage is an essential first step in that direction. Although the federal minimum wage rose to $7.25 per hour in July 2009, that value of the hourly wage floor remains far below its peak 1968 level. Had the minimum wage kept pace with inflation over the period from 1968 to 2012, the wage would equal between $9.22 and $10.52 per hour, depending on the measure of inflation used. In the same manner, a minimum wage that replaced the equivalent share of the average weekly production wage today as was the case in the late 1960s would equal $10.01 per hour. Furthermore, a minimum wage that had grown at a rate equal to half the increase in average labor productivity logged since the late 1960s now would total $15.34 per hour.[88] Irrespective of the benchmark used, any increase in the minimum wage that brought it in line with its historical level would improve the economic prospects of large numbers of families. In fact, boosting the federal minimum wage to $10.10 per hour by 2015 would benefit the families of almost a quarter of all children in the United States.[89]

Of course, wages are just one element of a "good" job: benefits like health insurance and retirement savings matter as well. By one estimate, policies that provided healthcare and retirement insurance on a universal basis almost would double the share of good jobs in the American economy, and the implementation of universal health insurance by itself would eliminate all of the "bad" jobs in the United States, at least by one definition. Other policies that would improve the share of good jobs in the economy include increasing levels of college attainment, raising unionization rates, and eliminating the wage gap that exists between male and female workers.[90] Increasing the number of good jobs in the United States not only would reduce the economic pressures that lead families to turn to public safety net programs and work supports, but it also would improve the effectiveness of those programs by requiring them to bridge a smaller gap between the incomes earned by low-income families and a basic standard of living.

Improve the Effectiveness of Safety Net and Work Support Programs

Public safety net programs and work supports play an important role in reducing economic hardships, lifting children out of poverty, and fostering long-term child development. Even before the most recent recession, such initiatives succeeded in reducing the number of families with incomes below the FPL. The temporary expansions authorized by the ARRA broadened the reach of selected programs and work supports and offered many families and children "some insulation from the downturn."[91]

Yet as detailed throughout this brief, safety net programs and work supports are not as effective as they could be. Too few families receive all of the assistance for which they are eligible or even qualify for assistance at all. Moreover, the value of the assistance provided through many programs fails to raise family incomes to a basic income threshold, be it the outdated FPL or a more realistic basic family budget. Meanwhile, the structure of many programs—work support programs in particular—assumes the existence of an economy characterized by an adequate number of job openings and short spells of unemployment, rather than one scarred by anemic job growth and mass, long-term joblessness.

TANF perhaps is the program that best reflects this confluence of unfortunate factors. Established during the full-employment economy of the late 1990s and bolstered by the concurrent expansion of other safety net programs and work supports like the EITC and CHIP, TANF has proven unresponsive to current economic conditions, due largely to its structure as a fixed block grant to the states. The stagnation in the maximum benefit amount that has occurred in most states since 1996 means there now is no state where the maximum TANF benefit will bring the income of a three-person family to a level equal to half of the FPL. Similarly, the TANF caseload is insensitive to fluctuations in the business cycle; consider how the number of children served annually by the program held constant at 3.4 million from 2006 to 2011, even though that period was marked by a severe recession and a sharp increase in child poverty.[92]

To improve the effectiveness of safety net programs and work supports, the federal government should take a few steps. First, Congress should establish a universal benefit floor within initiatives like TANF to ensure that the families and children with the lowest incomes are able to meet their basic needs regardless of where they live. Prior publications by First Focus, for instance, have detailed the ways in which the incorporation of "Children's Fair Share Grants" into the TANF program would allow the program to more effectively serve poor children and reduce overall rates of child poverty.[93] Second, existing programs could adopt a level of "targeting" that attempts to steer aid to the children most in need, particularly those who are in the first few years of life or who live in families with a disabled adult member. Finally, federal statistical programs must better track the impacts of safety net programs and work supports. While the Census Bureau's creation of a research supplemental poverty measure is an important step in this direction, it does not alter the fact that both the FPL and the supplemental statistic are one-dimensional measures that attempt to collapse "a range of deprivation indicators into a single statistic," rather than assessing well-being in a comprehensive manner.[94]

Encourage and Support State-Level Reforms

While policy attention often gravitates toward the role the federal government plays in authorizing and funding public safety net programs and work supports, state governments and state policies contribute the essential, albeit often invisible, ingredients required for program effectiveness. States also are the level of government at which recent reform efforts have unfolded. State-level experimentation already has yielded tangible improvements in the policies, procedures, and administration of safety net programs and work supports. Going forward, the federal government should strive to encourage and enable such positive reforms.

At a minimum, federal policymakers should not impede promising reforms underway in the states. Consider, for example, the use of asset tests in programs like SNAP. Under federal law, a household with a low income but more than $2,000 in countable liquid assets (as of fiscal year 2012) generally is ineligible for SNAP.[95]

However, the 1996 Personal Responsibility and Work Opportunity Act, the legislation that established TANF, allows states to adopt "broad-based categorical eligibility" and employ uniform eligibility rules between SNAP and TANF for households with at least one member who receives (or is authorized to receive) a TANF-funded benefit. As of 2012, some 35 states had used this flexibility to eliminate the SNAP asset test, while five other states raised the amount of assets a household could possess before becoming ineligible for SNAP. The use of categorical eligibility has simplified program administration, streamlined eligibility determinations, and yielded administrative savings without contributing to growth in SNAP; in fact, states that have eliminated asset tests have experienced minimal growth in their SNAP caseloads.[96]

Yet in recent years, some policymakers have called for eliminating the broad-based categorical option currently available to the states. Such an action would set back the reform efforts underway in many states, in part by requiring state SNAP, TANF, and Medicaid programs to follow and administer different eligibility rules for each program rather than streamlining and aligning those rules. Such a requirement further would require states to incur various costs related to changing information technology systems, staffing requirements, and program administration. Meanwhile, an estimated 1.8 million low-income persons likely would lose SNAP benefits, and the loss of SNAP benefits would lead some 210,000 children whose receipt of NSLP assistance is tied to their SNAP eligibility to become ineligible for free meals at school.[97] Such actions on the part of the federal government not only would harm low-income families and children, but they also would set back the process of reform underway in many states.

Besides seeking to "do no harm" to successful state-level reform efforts, the federal government also has the ability to encourage states to undertake promising changes to safety net programs and work supports. The US Department of Agriculture, for example, actively encouraged states to adopt broad-based categorical eligibility for SNAP, in part by creating supportive regulations and offering constructive policy guidance.[98] There is no reason why other responsible federal agencies could not play a similar role with the programs for which they are responsible.

Similarly, the implementation of the ACA demonstrates the ways in which federal actions can drive improvements at the state level. The provision of generous amounts of matched funding to build the information technology systems needed to administer the new and expanded health insurance options is an example of how the federal government can help states address one of the key barriers to improved efficiency in safety net programs and work supports: outdated computer systems.[99] Similarly, the implementation of the ACA provides opportunities to encourage states to streamline the delivery of a broad range of health and human service programs; one example of this possibility is a current demonstration project to directly certify children participating in Medicaid or CHIP as eligible for the NSLP. Such integration would be possible in other initiatives, although federal rules and requirements might need to change to allow states to undertake such coordination across programs.[100]

CONCLUSION

The economic difficulties stemming from the Great Recession have demonstrated the short-run and long-run importance of public safety net and work support programs to families with children. At the same time, a variety of administrative and policy factors have constrained the effectiveness of such initiatives, thereby resulting in sizable numbers of low-income people failing to receive all of the assistance for which they are eligible. Heightened awareness of these shortcomings has sparked a variety of state-level reform efforts to strengthen and streamline public safety net and work support programs. The reforms underway in numerous states—reforms that would be impossible without the permission, encouragement, and support of the federal government—point to the promise of such initiatives, as well as the associated challenges. While the process of reform may be arduous, it nevertheless is a worthwhile undertaking that, if successful, can improve the economic prospects of low-income families and foster long-term improvements in the health, development, and well-being of the estimated 32.7 million American children who live in those families.[101]

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