



**MEMORANDUM**

**TO:** Governor-Elect Corbett's Transition Team, Welfare Committee  
Charles Curie and David Simon, Co-Chairs

**FROM:** Community Legal Services' Public Benefits Unit

**DATE:** December 8, 2010

**RE:** Briefing Papers on Important Department of Public Welfare Issues

In recent years, Pennsylvania's Department of Public Welfare (DPW) has confronted unprecedented challenges. Like most state agencies, DPW has faced repeated operations budget cuts, resulting in a severe staff shortage. At the same time, DPW has seen extraordinary demand for its programs from Pennsylvania families that have been hit hard by the recession, especially for Medicaid (Medical Assistance) and Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamp) benefits. These dual pressures on DPW almost certainly will not abate in the coming years. However, the pressures create opportunities to look with fresh eyes at technological and operational efficiencies that can make DPW a more streamlined, responsive agency.

The Public Benefits Unit at Community Legal Services provides legal advice and representation to thousands of low-income clients each year who face problems accessing and benefiting from government benefits programs, including programs administered by DPW. Based on our experiences representing clients in DPW matters, we have prepared four briefing papers. **Section One** discusses current operational failures within DPW County Assistance Offices (CAOs) as a result of the economic crisis and offers solutions to address those failures. **Section Two** suggests ways to modernize the welfare-to-work system to assist TANF cash assistance recipients in an economy where jobs are not as readily available as they have been in the past. **Section Three** highlights problems stemming from increased demand for SNAP benefits and suggests improvements to the program. **Section Four** offers ways to improve the federally-funded Low Income Home Energy Assistance Program to better ensure that vulnerable households are able to heat their homes during the winter months.

Most – if not all – of the issues that DPW faces stem from the convergence of operations budget cuts and increased demand for public benefits that is discussed in detail in Section One. Operational failures at CAOs are reaching crisis proportions. Addressing this crisis in the coming months may be the most important task faced by a new DPW Secretary.

Addressing the crisis is critical, not only to ensure that families receive the benefits that they need, but also to prepare for new influxes of benefits applicants. In the coming months, thousands of displaced workers will reach the end of their unemployment benefits even if the

federal government offers limited extensions of benefits. More than 43,000 adultBasic health insurance recipients are projected to lose their insurance in February 2011, and many recipients will seek Medicaid from DPW to meet their continuing medical needs. And, as Section Two discusses in some detail, effective December 31, 2010, DPW has proposed an end to the Paid Work Experience program that gives thousands of cash assistance recipients practical work experience, requiring CAOs to place recipients in other, less successful work programs. We believe strongly that both the adultBasic and Paid Work Experience programs are vitally important, and should extend beyond their anticipated end dates. If they do not, however, the CAOs must be prepared to serve an even greater number of Pennsylvanian families.

As we have noted, these challenges, while daunting, provide an opportunity to create a better government agency that meets the needs of struggling Pennsylvania families. Our contact information is included in the attached briefing papers. We look forward to working together in the weeks and months ahead.



## COUNTY ASSISTANCE OFFICES IN CRISIS: OPERATIONS FAILURES WORSEN THE PLIGHT OF STRUGGLING PENNSYLVANIANS

The current deep recession has created a “perfect storm” at the Philadelphia County Assistance Office (PCAO) that threatens the well-being of tens of thousands of Pennsylvanians. Caseloads, which had declined before the recession, are rising as a result of the poor economy. Job loss is making it difficult for families to leave welfare for work, and is resulting in more families needing SNAP benefits (formerly called Food Stamps) and Medicaid while working at part-time or low-wage jobs. The growth in caseloads for SNAP and Medicaid over the past five years is staggering:

### Unduplicated Individuals Receiving Benefits in Pennsylvania

	January 2006	October 2010	Increase/Decrease	Percentage Change
SNAP (FS)	1,095,907	1,685,043	+589,036	+53.8%
Medicaid	1,832,035	2,238,902	+406,867	+22.2%
Cash Assistance <sup>1</sup>	318,602	291,076	-27,526	-8.6%

In addition, as thousands of individuals reach the end of their Unemployment Compensation benefits over the next several months, formerly middle class families will turn to the PCAO for help.

At the same time, budget cuts have decimated staffing levels at the PCAO, severely impairing – and in some cases, paralyzing – daily operations. It is extremely difficult to reach PCAO staff by telephone or fax, and documents are routinely lost or ignored. Clients, employers, and social service agencies are unable to report changes, get information, or have documents processed in a timely fashion. These operational failures routinely delay or interrupt clients’ subsistence benefits at a time when they need them most, in many cases infringing upon their due process rights.

Meanwhile, these operational failures result in an enormous duplication of efforts that further prevents clients from receiving the benefits that they need. Because benefit renewals and periodic report forms, along with supporting documentation, are routinely misplaced and not timely processed, caseworkers have to process unnecessary terminations and then unnecessary reapplications. Similarly, employers have to provide repeated documentation (verification), clients have to resubmit the same materials over and over, and social service agencies waste time

---

<sup>1</sup> Cash assistance benefits caseloads, including Temporary Assistance for Needy Families (TANF) for families and General Assistance (GA) for individuals without dependents, have decreased for many reasons, including the stagnating value of the grant (which has not changed in over 20 years, even to keep pace with inflation), additional paperwork and interview requirements, and the uneven quality of mandatory welfare-to-work programs.

and effort hitting redial and making duplicative inquiries. The convergence of increased demand for SNAP benefits and Medicaid and staffing shortages due to budget cuts, exacerbated by the inefficiencies caused by unnecessary paper-handling, has created a very real operations crisis at the PCAO.

While similar problems likely exist in other parts of the state, these comments are focused on Philadelphia as the location where the authors of this paper practice and have concrete experience. Many of the solutions proposed in this paper have statewide applicability and would improve efficiency statewide.

### **The Philadelphia CAO Cannot Sustain Further Staff Cuts**

In the period from January 1, 2005 to January 1, 2010, staffing at the PCAO has decreased by 300 positions, and the average caseload has increased from 250 cases per worker to 410 cases per worker. The telephone Customer Service Center in Philadelphia handles 27,460 calls per month with only 28 staff. In a recent three-month period, one local social service agency tracked 100 calls made to the PCAO, in which the agency only reached a staff person nine times. Another local social service agency reports that one-third of the cases that they work on involve documents lost or misplaced at the PCAO, and that 70 to 80% of their calls to the Customer Service Center do not get through, and of the calls that do get through, their average wait times are between 13 and 19 minutes. It is impossible to envision a scenario in which the PCAO could sustain further staffing losses without these numbers deteriorating further.

In light of these operations failures, we believe that new staff is needed urgently to ensure that the PCAO is equipped to meet the needs of low-income Pennsylvanians. Federal matching funding for administrative costs is available through the SNAP and Medicaid programs, and should be utilized to properly staff welfare offices throughout the Commonwealth, so that offices can function properly.

### **Telephone Customer Service Must Be Improved**

It is extraordinarily difficult to reach PCAO staff by telephone. Because of the volume of calls, coupled with the shortage of PCAO staff, phones are most often busy or go unanswered. Voicemail boxes are frequently full, and if messages are left they are often not returned. It is extremely difficult for a client, employer, or social service agency to get information or provide information via telephone. The Customer Service Center (also known as the Change Center), which can be reached by dialing (215) 560-PCAO, has the potential to be extremely helpful, but it is routinely overwhelmed by call volume, making its representatives nearly impossible to reach. If one is lucky enough to get through by repeated redialing, the wait time is often well over ten minutes, which is problematic for employees on a short break, or low-income individuals with limited cell phone minutes. The PCAO has told us that its current technology does not allow it to track the volume of calls that cannot get through.

Because it is so difficult to reach the PCAO by phone, low-income workers are often forced to take time off of work to visit the welfare office in-person (thereby losing earnings and endangering their jobs, and creating problems for their employers), to submit report forms, proof of their earnings, or other needed verification. Similarly, elderly and disabled individuals, many of whom struggle with limited mobility and poor health, are subjected to hardship when forced to travel to the welfare office in-person in order to do simple business related to their benefits.

Making it possible to exchange information by telephone would substantially decrease traffic in the CAOs and make office operations more efficient. For example, SNAP renewals require telephone interviews at periodic intervals. Interview times are assigned on short notice, and often conflict with work or medical appointments. At present, many families lose their SNAP benefits when they are unable to reach a caseworker to reschedule an interview, or wait in vain for a call at the appointed time. They then not only experience hardship, but are forced to reapply, requiring caseworkers to take action first to terminate and then to reopen benefits. If clients could call a telephone call center during certain blocks of time to be interviewed, as is done in other states like Idaho and Massachusetts, this "churning" of cases and duplicative work by staff could be prevented.

The Department of Labor and Industry has developed systems for telephone applications for Unemployment Compensation benefits, thereby greatly reducing the need for in-person interactions. Similar telephone technology could be used to improve efficiency at the CAOs.

### **Increase Efficiency through Use of Modern Technology**

There are a number of technological improvements that would greatly increase efficiency for statewide systems across the Commonwealth. For example, COMPASS (the online benefits application system) is an important resource, but would be much more useful if it were possible to upload documents to it. Enabling electronic transmission of documents would reduce CAO traffic and increase efficiency and accuracy in CAO processing of documents, for it would reduce the volume of documents that are hand delivered in-person to the CAO, as well as the volume of mail received at the CAO. It would also reduce the number of steps caseworkers must take in order to process a document – opening mail, sorting documents received, and scanning documents into the computer system would no longer be needed in order to get a document into the correct file. Similarly it would be much more efficient if the periodic reports required of Cash Assistance, SNAP, and Medicaid recipients (known as SAR forms) could be completed online and the required supporting documentation proving the family's circumstances could be uploaded and filed electronically.

In addition, the CAO could permit clients, employers, and social service agencies to communicate with caseworkers by email, and to submit documents via attachments to email. The technology used for processing faxes and scanning and attaching documents to individual files could be improved so as to speed up the process of labeling and attaching documents to the correct file.

Greater use of technology could also permit remote processing of forms by staff in other offices, at times when there is a geographic imbalance of workload and staff. In addition, if renewal and periodic report forms were more effectively pre-populated with information, processing times would be faster. And if the forms were more carefully tailored to elicit only the information needed to determine eligibility, staff time could be more efficiently focused on determining eligibility. For example, some SNAP reporting forms still ask individuals to verify their resources and utility expenses even though that information is no longer required to establish eligibility. Similarly, at the application stage, some individuals are needlessly asked to bring in paper documentation verifying the amount of their income from the Social Security Administration and from Unemployment Compensation, even though that information is readily available to caseworkers via online databases.

Because documents that are sent by mail or fax are routinely lost or misfiled, and documents cannot be submitted online or by email, clients are forced to visit the welfare office in-person just to submit documents so that they can get a CAO receipt proving the documents were submitted and thus protect their benefits in the event of CAO error. This not only increases congestion and waiting times in the offices, but it forces low-wage workers to miss work, and participants in welfare-to-work programs to miss time at their programs; it creates great hardship for elderly and disabled individuals, many of whom struggle with limited mobility and poor health; and it requires individuals to needlessly incur travel expenses when their household budgets are already stretched thin.

PCAO staff recently told us of the results of a review they conducted of paperwork coming into four CAOs over three days. They found that individuals dropped off more than 7,400 documents in-person *at just these four offices*. Remarkably, this number does not include documentation provided as part of application interviews – just the documents dropped off in-person at the front desk. This suggests that an average of more than 600 documents per day per office are dropped off in-person.

Additionally, we understand from the PCAO that they have had significant, ongoing problems with mail delivery to the PCAO offices. As a result, mail to those offices is often very seriously delayed, despite use of first class postage. Mail delays further contribute to inefficiencies and delays in processing documents submitted by individuals regarding their benefits, and can result in inappropriate and needless benefit termination, followed by unnecessary taking and processing of new applications. While it should be possible to resolve those problems with the Postal Service, they underscore the enormous efficiencies to be gained through usage of online and email technologies.

**For more information, please contact Amy Hirsch via e-mail at [ahirsch@clsphila.org](mailto:ahirsch@clsphila.org) or via telephone at (215) 227-2400 x 2415.**



**PUTTING PENNSYLVANIA'S FAMILIES TO WORK IN CHALLENGING TIMES:  
NO- AND LOW-COST STRATEGIES FOR MODERNIZING  
THE WELFARE-TO-WORK SYSTEM**

**Continue the Commonwealth's Commitment to Subsidized Employment  
and Paid Work Experience**

Recipients of Temporary Assistance to Needy Families (TANF) cash assistance must participate in a welfare-to-work activity unless they are exempt based on disability or some other limited, enumerated reason. In exchange for the federal block grant that funds much of this program, states must meet a federal work participation rate (WPR). States meet the WPR if 50% of their TANF recipients are engaged in a work activity for at least 20 hours (if they have a child aged six or under) or 30 hours (if they do not have a child six or under) per week. Failure to meet the WPR risks a financial penalty from the federal government. In November 2010, Pennsylvania's WPR was 49.8%.

Two of the most successful work activity programs administered by the Department of Public Welfare (DPW) are Paid Work Experience (PWE) and Subsidized Employment (SE). Participants in these programs work at job sites, but their wages are paid in whole or in part by DPW. Participants in PWE and SE have demonstrably higher compliance rates than those who are assigned to participate in other forms of work activity.

Recently, DPW has announced plans to significantly reduce funding for the PWE and SE programs as of December 31, 2010. This proposal would have a devastating effect on TANF recipients and the state's WPR. We urge DPW to continue its commitment to these programs.

If DPW were to cease funding PWE and SE, workers would presumably be transferred to unpaid community service, job search (for non-existent jobs, given the current job market), or a few limited employment and training programs.

In these tight economic times, we realize that many critical safety-net programs are facing budget reductions. However, eliminating PWE and SE funding would have serious costs that must be weighed against the expenses it anticipates saving. These costs may, in fact, equal or outweigh the anticipated savings. For example:

- 1. Increased TANF and SNAP caseload costs would offset projected savings from PWE and SE cuts.** With the end of PWE and SE, many families will have no other option but to turn (or return) to the TANF cash assistance program. In addition, former PWE or SE workers suffering a loss of earned income would be eligible for increased SNAP benefits. DPW should consider the extent to which any savings from cutting PWE and SE would be offset by the increased TANF and SNAP grant costs.

2. **The elimination of PWE and SE slots would wreak havoc on the state's federal Work Participation Rate (WPR).** In August, 60% of individuals in Philadelphia who were engaged in some type of core work activity were doing PWE or SE. Eliminating PWE and SE would significantly reduce the WPR and put Pennsylvania at risk of being penalized by the federal government.
3. **A less quantifiable, but nonetheless real, cost to DPW will be the harm to its relationships with the 1,600 employers who have hired PWE or SE workers.** Indeed, many of these employers signed new agreements very recently, with expectation of a six-month subsidy. Taking away these critically needed workers with little or no notice to employers will directly harm the employers' bottom lines while also greatly decreasing the employer community's willingness to participate in similar programs with DPW in the future.
4. **DPW will face increased operational and administrative costs at the Philadelphia County Assistance Office to adjust TANF and SNAP benefits for an additional 3,400 budget groups who will lose their PWE or SE earned income.** Recalculating benefits and moving former PWE and SE participants into other work programs will severely strain County Assistance Offices that are facing an operations crisis already, as discussed in Section One. Participants may go weeks without receiving benefits that they desperately need because of the crush.

We therefore urge DPW to continue to fully fund the PWE and SE programs.

**Make Work Pay: Increase the Cash Assistance  
Earned Income Disregard from 50% to 75%**

Pennsylvania should do more to incentivize TANF recipients to actively seek and accept paid employment in order to meet its federal work participation rate (WPR) while recognizing the difficulties of obtaining unsubsidized employment in the current economic climate. For example, currently, families who receive TANF cash assistance and work have their cash assistance reduced by \$1 for every \$2 in gross earnings. This is commonly called the "50% earned income disregard." As a result, families stop receiving TANF when their earnings reach about 50% of the poverty line. By way of illustration, in most counties a parent raising one child on his or her own receives \$403/month in TANF cash assistance. With the current earned income disregard, her cash assistance will stop when her earnings reach \$632 (before taxes) per month.

Starting a job carries with it many new costs, such as transportation and commute expenses, work-appropriate wardrobe upgrades, increased child-care co-pays, and taxes. While DPW currently offers a handful of incentives to obtain and retain employment, some families may not be put in a better financial position by accepting employment, especially given the additional stress of increased childcare hours and potentially longer commutes. This puts low-



income families in a catch-22: when they start to work, they might actually be financially worse off.

The public welfare code ought to be amended to allow recipients to keep more of their TANF cash assistance grant as they transition into higher paying employment. Increasing the earned income disregard could save Pennsylvania money by potentially reducing the TANF caseload. Plus, it would boost the state's federal work participation rate (as discussed above) by allowing working families to be counted for the WPR for a longer period of time. Illinois provides an example of the success of such a change: when it raised its disregard to 67%, its participation rate rose significantly. As a result of this improvement, the state further increased its disregard to 75% in order to improve its WPR even more. Pennsylvania could realize similar improvement in its work participation if it were to strengthen the earned income disregard.

### **Make Work Pay: Replace "One Size Fits All" Welfare-to-Work Programs with More Efficient Programs that Address Recipients' Real Needs**

It is harder than ever in the current economy for TANF recipients to find meaningful employment that lifts themselves and their families out of poverty. Too often, DPW has adopted a "one size fits all" policy that treats every TANF recipient alike, whether she is newly unemployed after 30 years of work experience or has never held a job and does not have her GED. This leads to gross administrative inefficiencies that could be improved substantially if the programs were modernized and streamlined. TANF recipients should be fully informed when they first qualify for benefits about the full range of activities from which they may choose to meet work requirements, including literacy and GED classes through the Move-Up program, community college classes through the KEYS program, Supported Work programs, paid work experience, or a self-initiated activity. Program options should also be tailored to meet the needs of certain constituent groups, such as persons with disabilities, kinship care providers over age 40, and persons with limited English proficiency.

### **Make Work Pay: Aggressively Market Supports for Workers**

DPW should ramp up its efforts to publicize the supports available to TANF recipients who work. TANF recipients who are informed of the supports available to them if they do find and accept work will be more likely to consider accepting employment a realistic option for them and their families. It would also increase the likelihood that recipients will be successful in their transition to paid employment, and at the same time would keep working TANF recipients on the rolls—and in the Work Participation Rate numerator.

### **Make Work Pay: Provide the Earned Income Disregard to TANF Applicants Instead of Only Current TANF Recipients Transitioning to Work**

The existing earned income disregard applies only to current recipients and not to new applicants for TANF. Extending the earned income disregard to applicants who are already

working minimally-paying jobs at the time of their application would increase the WPR by allowing workers who meet the 20- or 30-hour per week requirement, but who still do not earn enough to support their families, to apply for and receive a partial TANF check to help make ends meet. Plus, it would provide assistance to very-low wage workers to pay for employment-related costs that would help them retain their employment.

### **Implement an Administrative Waiver of Welfare-to-Work Requirements for Families with Children Aged Six and Under to Conserve Financial Resources and Support Full-Time Parenting of Young Children**

Currently, DPW requires all non-exempt families to participate in a work activity. To meet its federal WPR (as discussed above), families with children aged six and under must participate in a work activity for a minimum of 20 hours per week. Families with older children must participate for a minimum of 30 hours per week. However, state law only requires recipients to participate in a work activity for a minimum of 20 hours per week, and only after the participants have received TANF assistance for a total of 24 months in their lifetime. This means DPW is free to adjust the requirements for families administratively, without the need to change current law.

DPW should consider implementing a waiver of welfare-to-work requirements for families who have received TANF for 24 months or less who have young children. DPW pays welfare-to-work contractors to provide education, training, and job placement programming and subsidizes child care costs for families who are participating in approved work activities. A waiver of welfare-to-work requirements for these families would result in savings on payment to such contractors, thus conserving DPW funds that could be used for other DPW purposes.

Families with young children who would be exempt from these requirements under this new waiver should still be permitted to volunteer to participate in a welfare-to-work program and receive necessary supportive services as required by law.<sup>1</sup>

Families eligible for this waiver who do not have a child under one year old may count against the federal WPR. If necessary, DPW could fund these families in a solely state funded program.

In 2009, California implemented a waiver that exempted TANF recipients from work requirements if they had either: (A) a child under two years old, or (B) more than one child under the age of six.<sup>2</sup> This exemption allowed parents to choose between training activities or staying home to actively parent their children before they reached school age. It also permitted money that would otherwise be spent on welfare-to-work contractors, child care, and other supportive services to be redirected to other purposes within their public welfare agency. Pennsylvania should consider implementing a similar waiver in order to support full-time parenting of young children and conserve limited state resources.

---

<sup>1</sup> 62 P.S. 405.1(b).

<sup>2</sup> See <http://www.dss.cahwnet.gov/lettersnotices/entres/getinfo/acl/2009/09-46.pdf>.

## **Modernize the Relationship between DPW and Child Support Collection Efforts to Encourage Involved Parenting**

Outdated TANF policies discourage noncustodial parents (usually fathers) from paying child support and make it harder for them to support their children. Often these policies prevent custodial parents (usually mothers) from making decisions they believe are in the best interests of their children. Plus, they discourage separated parents from reuniting. We would therefore make the following administrative policy recommendations:

1. **Support intact families, reunification, and family members trying to stay off welfare.**
  - a. **Eliminate “sibling deeming.”** Currently, an outdated holdover policy from the old AFDC program requires an applicant for TANF cash assistance to apply for benefits for all of her children, not just for her child or children that needs them. As a result, child support that is being paid by a noncustodial parent for his child must be shared by that child’s step-siblings. Custodial parents ought to be able to apply only for benefits for the child that is not being supported.
  - b. **Stop pursuing reunited families for child support arrears.** Pennsylvania should not attempt to collect support arrearages owed to the state while the support payor is living with and caring for the children. Pursuing arrearages from reunited families places great stress on those families, making it more difficult for them to remain together.
  - c. **Stop pursuing child support in foster care cases when paying support will make it more difficult for parents to get their children back.** The financial stress of paying support to the state makes it more difficult for low-income parents to get stable and appropriate housing, maintain utilities, attend parenting classes and do all the other things they need to do to reunite their families. Pennsylvania ought to stop pursuing support in foster care cases where the child welfare goal is family reunification and the parents are low-income. This would encourage family reunification and reduce foster care expenditures by facilitating the reunification of families.
2. **Stop penalizing stepparents and grandparents.** Support those who are helping to care for others’ children, strengthen extended families, and encourage marriage by eliminating outdated rules that “deem” stepparents’ and grandparents’ income to their step- and grandchildren. Grandparent deeming can be eliminated administratively. Eliminating stepparent deeming may require a change in the statute, but the calculations applied to stepparents’ income could be changed administratively.

**Stop Pennsylvania's Poorest Citizens from Sliding into Deeper Poverty by  
Raising TANF and GA Benefit Levels**

Temporary Assistance for Needy Families (TANF) and General Assistance (GA) cash assistance grants, which have always been woefully inadequate to provide even a subsistence income for needy families, place recipients at a mere 23% to 26% of the federal poverty line, depending on family size and location. ***Grant amounts have not been increased in over 20 years***, since January 1, 1990, despite the fact that the cost of living, as measured by the consumer price index, has increased over 67% during that same period. In most counties, the maximum cash assistance grant for one person is only \$205 per month; for a parent and child it is only \$316 per month; and for a parent with two children it is only \$403 per month. Individuals and families who need cash assistance are facing deeper and deeper poverty, making it harder to stabilize their lives and achieve self-sufficiency. Grants are simply not enough even to pay rent -- let alone to buy winter clothes, pay for school supplies, or cover the cost of transportation to get kids to school or adults to work. In addition to TANF families, inadequate grant amounts affect individuals with disabilities and other vulnerable individuals who rely on GA, such as elderly immigrants who are unable to get federal Supplemental Security Income (SSI). With joblessness still at record highs, and thousands of Pennsylvanians exhausting their unemployment benefits every month, temporary cash assistance is crucial to keeping Pennsylvania families stable and healthy.

We urge the Administration to develop a plan for raising benefits to a level that would better sustain individuals and families.

**For more information, please contact Michael Froehlich via e-mail at [mfroehlich@clsphila.org](mailto:mfroehlich@clsphila.org) or via telephone at (215) 981-3707.**



COMMUNITY LEGAL SERVICES  
OF PHILADELPHIA



## **PUTTING FOOD ON PENNSYLVANIA'S TABLES: FULFILLING THE PROMISE OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**

The Food Stamp Program, recently renamed the Supplemental Nutrition Assistance Program, or SNAP, provides benefits that allow low-income people to purchase groceries for their families. Benefits are accessed via electronic benefits cards rather than paper coupons or stamps, which were phased out more than ten years ago.

SNAP benefits are funded 100 percent by federal money; the Commonwealth's only contribution to the program is 50 percent of the administrative costs.

During the recent recession, SNAP has been very responsive to the increased financial need of Pennsylvania's families. At present, 781,601 Pennsylvania households (or 13.2 percent) are currently receiving benefits. In economic terms, this percentage represents \$202 million per month in federal funds that flow to Pennsylvania grocery stores and farmers.

SNAP program rules are generally set by federal law, although states do have some discretion to design their programs to fit local needs. In addition, states administer the program and make eligibility determinations as to who qualifies for benefits. Under both the Ridge/Schweiker and Rendell Administrations, Pennsylvania has used its discretion to design the program in such a way as to make it more efficient and accessible to eligible families.

This memorandum proposes additional ways in which Pennsylvania could improve SNAP.

### **Alter SNAP Administration to Address Unnecessary Suspensions**

Currently Pennsylvania's SNAP program results in a significant amount of "churning" – that is, a considerable number of eligible households are pushed out of the program every month because of inefficiencies in processing Semi-Annual Reports (SARs), and then required to reapply in order to return to the program. If a SAR is not processed in a timely way, benefits are suspended, even if the recipient household submitted the SAR by the required deadline.<sup>1</sup> The Department of Public Welfare (DPW) recently asked each local County Assistance Office (CAO) to develop a Corrective Action Plan to prevent wrongful benefit suspensions at SAR. However, unnecessary benefit suspensions could be easily prevented by simply reprogramming the CAO computers to eliminate "auto-suspensions." This would prevent erroneous suspension

---

<sup>1</sup> Paperwork and documentation processing problems at County Assistance Offices are addressed more fully in Section 1.

of benefits, and the resulting needless reapplication by eligible families, as well as the severe hardship that is incurred when families lose their food assistance even for a month or two.

### **Eliminate Unnecessary Paperwork that Makes County Assistance Offices Less Efficient and Increase Workload for County Assistance Office Staff**

To make it easier for families to access SNAP benefits, DPW could streamline and increase the reliability of the verification process by using automated sources to verify income and other eligibility factors. DPW also could make the application and renewal processes simpler and more cost-effective by eliminating verification requirements that are not mandated by federal law, such as verification of shelter costs, utility costs, and dependent care costs. Other states, such as Maryland, have recently opted to eliminate these verification requirements, which place a significant burden on caseworkers and customers, but typically contribute very little to minimizing program error rates.

### **Enhance COMPASS in Order to Streamline Application Processing**

Pennsylvania was a forerunner in developing COMPASS, its online application system for public benefits. However, the Commonwealth has been slow to implement planned enhancements to the system in recent years. Long-delayed, planned enhancements include adding a Spanish version of the tool, as well as the capacity to attach scanned verifications to applications and to submit SAR information online. These enhancements are essential to increasing efficiency in the County Assistance Offices.

### **Simplify the Interview Process for Caseworkers and Customers Alike by Enabling SNAP Households to Participate in Interviews on Demand**

At the application and renewal stages, SNAP customers are currently required to complete an interview with a caseworker, either in-person or over the phone. Scheduling and completing this interview can be difficult, especially for working families, the elderly, and people with disabilities. Recent data from DPW show that more than ten percent of SNAP applications statewide are denied for failure to complete an interview within the required timeframe.

Idaho and Massachusetts, among other states, allow applicants to phone designated call centers to complete their SNAP interviews at specific times during the centers' usual business hours. Allowing applicants to call a Customer Service Center or a designated call-in number in their County Assistance Offices would reduce the scheduling burden for caseworkers and prevent time-consuming games of "phone tag."

## **Simplify SNAP for Elderly and Disabled Households**

Eligible elderly and disabled clients participate in SNAP in low numbers, largely because they often have difficulty navigating the complex application process, and because they expect small SNAP grants. Recently, the USDA has waived certain requirements for certain elderly and disabled households at the request of the SNAP state agencies. DPW should request the following waivers to ease participation for the elderly and disabled:

- 1. Implement a standard medical deduction for elderly and disabled households that can verify more than \$35 per month in medical expenses.** Eight states currently have standard medical deductions, ranging from \$83 in New Hampshire to \$200 in South Dakota. Many of Pennsylvania's elderly and disabled households currently receive small benefits, in part because they do not claim the medical expense deductions that they could. A standard deduction would simplify the process for them.
- 2. Eliminate the interview requirement at recertification for many elderly and disabled households.** These households often have difficulty completing the interview and typically experience few changes in income and expenses. Eliminating the interview requirement could reduce the "churn" at recertification without affecting the program's error rate.

## **Strengthen the Link between SNAP and the School Meals Program**

Through direct certification, children in households that receive SNAP are automatically enrolled in the school meals program. However, Pennsylvania currently does a relatively poor job in coordinating these two programs despite a federal law requiring auto-enrollment. Pennsylvania is out-performed by most states: only 65 percent of Pennsylvania children participating in SNAP are directly certified for school meals. The link between the two programs should be strengthened in order to ensure that needy children get the nutritional supports that exist for their benefit.

**For more information, please contact Richard Weishaupt of Community Legal Services via e-mail at [rweishaupt@clsphila.org](mailto:rweishaupt@clsphila.org) or via telephone at (215) 981-3773, or contact Julie Zaebst of the Greater Philadelphia Coalition Against Hunger via e-mail at [jzaebst@hungercoalition.org](mailto:jzaebst@hungercoalition.org) or via telephone at (215) 769-0659 x 121.**



COMMUNITY LEGAL SERVICES  
OF PHILADELPHIA

## **KEEPING VULNERABLE PENNSYLVANIANS WARM: IMPROVING THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM**

Pennsylvania's families need more help now to pay their home energy bills than they ever have. The recent economic downturn coupled with the expiration of Pennsylvania's electricity rate caps has placed lower-income families at greater risk of utility service terminations, which result in unsafe, unhealthy, and sometimes life-threatening living conditions.<sup>1</sup> In 2009, 17,037 Pennsylvania households started the winter season with no heat-related utility service, a 16% increase over 2008. The Low Income Home Energy Assistance Program (LIHEAP) brings hundreds of millions of federal dollars to Pennsylvania every year to provide relief to low-income families and reduce the number of Pennsylvania households who will suffer loss of heat. However, the impact of these funds is stymied by Department of Public Welfare policies that restrict access to LIHEAP benefits, impose unnecessary and costly administrative burdens, and limit the buying power of LIHEAP dollars.

Pennsylvania's current LIHEAP program provides financial assistance with heat bills and weatherization services to low-income households, usually from November through March. The two LIHEAP grants offered are (1) LIHEAP Cash grants to help pay a heating bill, and (2) LIHEAP Crisis grants to restore heat or prevent an imminent loss of heat. LIHEAP recipients may also be referred to Department of Community Economic Development contractors for weatherization services and may receive emergency heating system repair to get heat restored through the LIHEAP Crisis Interface program.

We urge the Department to take the following steps to maximize the impact of each LIHEAP dollar and ensure that LIHEAP benefits are getting to families before they suffer a loss of heat:

### **Use All Federal LIHEAP Funds Allocated to Pennsylvania**

In recent years, significant amounts of federal LIHEAP funds have gone unspent at the close of the LIHEAP season. The 2007-08 LIHEAP season closed with at least \$12 million in unspent funds, and the 2009-10 LIHEAP season closed with approximately \$30-40 million in unspent funds. Closing LIHEAP while funds remain is problematic for several reasons. First, the Department's refusal to extend the LIHEAP program deprives eligible families of LIHEAP benefits at a time of the year when they most need assistance. Utility terminations rise at the close of each LIHEAP season, coinciding with the March 31 end of the Public Utility Commission's moratorium on public utility service terminations for low-income households. Many of these terminations can and should be prevented with additional LIHEAP grants.

---

<sup>1</sup> A November 22, 2010 news story, by Keith Phucas of the *Pottstown Mercury*, titled "Montco man dies from injuries sustained in fire," highlights the often disastrous risks associated with loss of home utility service.



Second, past decisions to close the LIHEAP season with significant funding left to be spent have been made without public notice and in violation of the LIHEAP State Plan's clear directive to extend the LIHEAP season when additional LIHEAP funds are received.<sup>2</sup> Finally, the failure to spend all federal funds allocated to Pennsylvania in recent years undermines efforts to communicate to the federal government the clear extent of the need in Pennsylvania for more LIHEAP funds.

### **Eliminate the Wasteful, Harmful "Crisis Exception" Program**

For many years, Crisis grants were available throughout the entire LIHEAP season, to both restore lost heat and prevent imminent loss of heat. In contravention of long-held practice, the LIHEAP program in fiscal years 2010 and 2011 includes a bifurcated Crisis program, with a maximum benefit of \$400, consisting of a "Crisis Exception" grant program available from November 1, 2010, through January 3, 2011 and a "regular" Crisis grant program available from January 3, 2011, through March 31, 2011. The "Crisis Exception" grant is available to restore heat in households whose utility service is off or whose fuel tanks are within 15 days of depletion. The "regular" Crisis grant is available to restore heat for households who are without heating fuel or utility service *and* to prevent loss of heat in households who are in imminent danger of losing heating fuel or utility service.

This bifurcated program poses serious risks to low-income utility customers and wastes LIHEAP dollars. For example, a low-income household scheduled for shut-off on November 15 cannot, prior to shut off, apply for LIHEAP Crisis Exception, but must actually incur the utility shut off before receiving Crisis Exception grant monies. Since the reconnection fees charged by the utility may be as much as \$250, a Crisis Exception grant in this example will, at most, only reduce the low-income households' actual heating bill by \$150; effectively, each dollar of such Crisis Exception grant provides less than 40¢ of heating assistance to the household.

The existence of Crisis Exception grants has never been clearly communicated to the public. There has been significant confusion in the community about who can apply for Crisis funds and when and where these applications can be submitted. The bifurcated Crisis program is confusing, encourages utility termination, and disproportionately funnels LIHEAP funds to utility labor and reconnection costs, rather than to the home energy crises of low-income families. The Crisis Exception program should not be repeated in future years, and Crisis grants should be made available to households who have lost heat or are in imminent danger of losing heat.

### **Ensure that Each LIHEAP Recipient's Benefit Is Applied Directly to the Amount He or She Is Asked to Pay by the Applicable Utility**

In the 2011 LIHEAP State Plan, Pennsylvania mandated that public utilities operating customer assistance programs (CAPs) apply LIHEAP benefits to the customer's monthly "asked

---

<sup>2</sup> LIHEAP State Plan Fiscal Year 2008, iii; LIHEAP State Plan Fiscal Year 2010, iv.

to pay” amount and restricted utilities from “pooling” CAP customers’ grants to pay for the CAP program, without any direct or visible benefit to the LIHEAP beneficiary. Following the most recent guidance from the U.S. Department of Health and Human Services,<sup>3</sup> practices such as “pooling” of LIHEAP funds among all CAP customers and crediting LIHEAP funds as income to the customer, contravene the language and intent of the federal LIHEAP Act. LIHEAP funds should continue to be restricted to beneficiaries’ “asked to pay” amounts to ensure Pennsylvania’s continued compliance with federal law and maximize the program’s capacity to provide assistance to needy families.

### **Mandate that Utilities Restore Service, if Service Is Off, or Stay Termination, if Termination Is Threatened, Upon Offer of a LIHEAP Crisis Grant**

LIHEAP Crisis grants are intended to resolve home-heating emergencies, most commonly involving the termination or threat of termination of utility service. Pennsylvania has not, in the LIHEAP State Plan or in vendor contracts, required that utilities accept Crisis grants or restore service upon doing so. Accordingly, a low-income household that is otherwise eligible for Crisis assistance may nonetheless be prevented from accessing available LIHEAP resources to resolve its emergency, or may have to raise other funds in addition to LIHEAP resources in order to restore service or prevent shut-off. Pennsylvania should leverage the tens of millions of Crisis grant dollars that are sent to utility companies each year to require utilities to restore heat-related service and to postpone any pending termination until the later of 60 days from receipt of the Crisis grant, or 60 days after April 1 (the end of the low-income winter moratorium).

### **Eliminate Unnecessary and Costly Administrative Burdens to the CAO**

Many states, including New Jersey and New York, make certain public benefits recipients categorically eligible for LIHEAP and automatically issue LIHEAP grants to them. This practice works to bring states into clear compliance with the federal LIHEAP Act’s mandate that LIHEAP benefits go to those with the greatest need.<sup>4</sup> Public benefits recipients verify their financial need many times per year through the public benefits application, semi-annual reporting, and recertification processes at County Assistance Offices (CAO). Requiring public benefits recipients to go through an additional LIHEAP application process increases the state’s administrative costs, adds to the workload of the CAO, creates new opportunities for error, and unduly burdens public benefits recipients. The federal LIHEAP Act clearly supports making public benefits recipients categorically eligible as a way to get LIHEAP to those with the lowest incomes while lowering states’ administrative costs.<sup>5</sup> We urge the Department to make

---

<sup>3</sup> HHS Low-Income Home Energy Assistance Information Memorandum, No. IM-2010-13, July 21, 2010.

<sup>4</sup> 42 U.S.C. § 8621(a); 42 U.S.C. § 8624 (b)(1)(A).

<sup>5</sup> 42 U.S.C. § 8624(b)(2)(A). *See* Senate Report No. 98-484, 18-19 (1984) for a discussion of § 8624(b)(2)(A) in support of states’ making public benefits recipients automatically eligible for LIHEAP.

households containing recipients of TANF, GA, SSI, or SNAP categorically eligible for LIHEAP and issue automatic LIHEAP grants to them.

### **Make LIHEAP Crisis Grants More Accessible to the Elderly and Disabled**

Homebound applicants who are experiencing a home heating emergency and need Crisis benefits have the following inadequate options for applying for LIHEAP Crisis grants: 1) submit a paper or electronic LIHEAP Cash application, wait for the County Assistance Office to receive the application, and then call the LIHEAP administering agency to report the home heating emergency and request a Crisis grant; or (2) find a trustworthy non-disabled person to walk into the LIHEAP administering agency's office to submit the Crisis application. Federal law recognizes the vulnerability of this population and requires that agencies administering LIHEAP crisis benefits accommodate disabled LIHEAP applicants<sup>6</sup> and provide homebound applicants with a way to access LIHEAP benefits without leaving their homes.<sup>7</sup> None of the available Crisis application options is sufficient to provide a disabled applicant equal access to the Crisis program and equal opportunity to get a Crisis grant in the same 48-hour time period<sup>8</sup> as non-disabled LIHEAP applicants who are able to leave their homes to apply. We urge the Department to institute the option of home visits for homebound applicants and to change the paper and electronic LIHEAP applications so that they can be used to apply for both LIHEAP Cash and LIHEAP Crisis.

### **Increase Publicity and Training of DPW Staff on the Crisis Interface and Weatherization Assistance Program**

There are two types of weatherization services available to LIHEAP recipients, Crisis Interface weatherization, which provides emergency home heating system repair for LIHEAP recipients without heat, and Weatherization Assistance Program (WAP) services, which provides general weatherization services for all LIHEAP recipients. The CAO sends referrals to the Department of Community and Economic Development (DCED), which provides the Crisis Interface and WAP services to LIHEAP recipients. These are critical programs could work to save low-income families from living in homes without heat and drastically reduce the energy burdens of low-income families. Yet, there is no clear application process for these services, scant public information is made available about the programs, and only longtime LIHEAP workers appear to be aware of their existence. As a result, these programs are highly underutilized and low-income families are deprived of their benefits.

Crisis Interface is currently the only expedited funding available to resolve weather-related emergencies, such as furnace repair and replacement in the winter. Like LIHEAP Crisis

---

<sup>6</sup> Title II of the Americans with Disabilities Act, 42 U.S.C. § 12132; Section 504 of the Rehabilitation Act, 29 U.S.C. § 794.

<sup>7</sup> 42 U.S.C. § 8623(c)(3)(B).

<sup>8</sup> LIHEAP Crisis benefits must be delivered within 48 hours of the application's submission. 42 U.S.C. § 8623(c)(1); LIHEAP State Plan § 601.4 (2).

grant benefits, Crisis Interface benefits must be delivered within 48 hours of an application's submission.<sup>9</sup> This is nearly impossible, however, because there is currently no clear way to submit an application for these critical benefits. LIHEAP applications make no reference to them. Even when applicants are able to communicate their need for emergency heater repair to a worker who knows to make the Crisis Interface referral, they often experience significant delays. Accordingly, Crisis Interface benefits are rarely, if ever, delivered within 48 hours.

Weatherization services, unlike Crisis Interface services, are mentioned on LIHEAP applications. However, applicants are not informed of the referral process from DPW to the Department of Community Economic Development (DCED), or how and when to contact the WAP. Confusion about this process often results in LIHEAP recipients not receiving the WAP services they are eligible to receive.

DPW staff should be fully knowledgeable about the Crisis Interface and Weatherization program features in order to ensure that these programs are fully integrated with the LIHEAP program, that all LIHEAP recipients receive weatherization services, and that Crisis Interface is available to households experiencing emergencies. Both programs should be widely promoted while funds are available, and LIHEAP applications should be changed immediately so that applicants can apply for Crisis Interface benefits. Finally, proper notice of eligibility decisions and of appeal and fair hearing rights must be provided to applicants for both Weatherization and Crisis Interface services.

### **Save Money and Provide More Benefits to LIHEAP Recipients by Renewing the Discount Oil Program**

During the 2008-09 LIHEAP season, DPW launched the discount oil program, negotiating with fuel oil companies in four Pennsylvania counties to provide discounted rates to LIHEAP customers. In its first year, the program saved about \$691,000, enough to fund more than 1,700 additional LIHEAP Crisis grants. DPW continued its discount oil program in 2009-10 and declared in the 2010-11 LIHEAP State Plan that the discount oil program would continue into the 2010-11 LIHEAP season. This made good sense. The discount oil program not only saves Pennsylvania LIHEAP dollars, it can also be used to draw down additional federal LIHEAP funds. States that leverage non-federal resources for LIHEAP-eligible households may receive additional federal leveraging incentive LIHEAP funds.<sup>10</sup> Despite this, the Department announced the termination of the discount oil program on October 4, 2010, without advance notice, explanation, or opportunity for public comment. The discontinuation of the discount oil program violates the LIHEAP State Plan<sup>11</sup> and will cost the state urgently needed LIHEAP

---

<sup>9</sup> 42 U.S.C. § 8623(c)(1); LIHEAP State Plan, Appendix C, page C-3.

<sup>10</sup> 42 U.S.C. § 8626a.

<sup>11</sup> LIHEAP State Plan Fiscal Year 2011, vii ("DPW is continuing the expansion of the Discount Oil Program. . . . DPW plans to add twelve additional counties to the program during the 2010-2011 heating season. Additional counties will be phased in during subsequent heating seasons.").

funds. The discount oil program should be continued statewide during this LIHEAP season and in future LIHEAP seasons.

**For more information, please contact Maripat Pileggi via e-mail at [mpileggi@clsphila.org](mailto:mpileggi@clsphila.org) or via telephone at (215) 227-2400 x 4738.**