

Streamline and coordinate access to public benefits

Every year, hundreds of millions of dollars in federal work supports designed to help low- to moderate- income workers are left unclaimed by Michigan families. By some estimates, this amounts to more than \$900 million in Michigan alone. Benefit access calculation and coordination software is designed to address this problem and make benefits more accessible for eligible recipients and the process of obtaining them to be more efficient. Michigan does not have such an application. Other states like Ohio, Florida, Oklahoma, New York, Arkansas and Pennsylvania do.

Since the welfare reform of 1996 (Personal Responsibility and Work Opportunity Act) created work requirements and time limits for cash assistance, the movement of individuals from welfare to work has expanded a class of American citizens considered the working poor: employed individuals who remain in poverty. A study of ten communities across the U.S. in 2004 found that full-time work at the federal minimum wage covers just about a third of a family's basic costs.¹ Earning an income, therefore, does not ensure the ability to provide for a family. Additionally, working itself places extra costs on low-income workers as employment requires additional services, like childcare and transportation.

Federal and state policies provide a core group of work support programs that aim to ease the costs of necessities for families whose income is too low to cover the basic costs of living and the additional costs of working. These programs focus on tax credits, nutritional benefits, free and low cost health insurance, child care, and energy assistance. In addition to others, these specifically include Medicaid and SCHIP, Food Stamps, child care subsidies, and the Earned Income Tax Credit (EITC).

¹ Coffrey, Sean, Abby Hughes Holsclaw and Julie Bosland. "Screening Tools to Help Families Access Public Benefits." *Institute for Youth, Education, and Families*. National League of Cities. June 2005.

While government programs are available to help the working poor, the low take-up of these programs highlights a need for improved access to benefits for this population. According to estimates from the Urban Institute, one quarter of the working poor (income earners making below 100% of the federal poverty limit) receive no government support. Overall, \$65 billion in federal benefits go unclaimed in the United States every year, \$900 million of which are unclaimed by Michigan residents.² The cumbersome and confusing process of accessing public benefits through separate application processes is a likely reason that benefits remain unclaimed. Take-up of assistance programs can be improved through the implementation of a state-wide benefits access initiative that would streamline the application process for all benefits through an internet-based access program.

Benefit access software coordinates the application for benefits through internet-based programs. The general structure of this software involves typical interview techniques, which ask specific questions to automatically call to and update a database of public assistance clients. The software is able to identify all work supports for which client qualify. The database can be accessed through a variety of agencies and service providers to allow for consistency across a client's application process for multiple public assistance programs provided by different service providers. Additionally, certain benefit access programs generate the forms needed to apply for supports and allow clients to electronically file application materials to appropriate agencies. Several benefits access programs are available for purchase and implementation at state and local levels of government.

Multiple states have implemented internet-based benefits access programs, including Ohio, California, Florida, New York, Oklahoma, Arkansas, and Pennsylvania. Michigan does not have a benefits access program.

² Pizzimenti, Jim. "Michigan Benefits Access Initiative Project Overview." Michigan Association of United Ways.

The Michigan Association of United Ways in coordination with the APBB are working on a campaign for a benefits access initiative in Michigan. The campaign thus far has included the completion of a market study, analysis, and a business model for a benefits access program in the state.

After reviewing a variety of software products and going through an RFP process, the Michigan Benefits Access Initiative recommended the Benefit Bank, produced by Solutions for Progress as the best available software for the state of Michigan. The Benefit Bank is an internet-based, counselor-assisted program that helps with eligibility screenings and application completion. The software also allows users to e-file state and federal taxes and to complete voter registration. Prepopulated applications are shared between multiple private and public agencies with the user's permission. The Benefit Bank is free for both users and host sites.

Unclaimed benefits represent lost opportunities to help Michigan's working families. Implementing benefits access software will better connect working families with the support that they deserve. The ABPP strongly recommends a statewide implementation of the Benefit Bank software.

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