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**Testimony before the House Committee on Ways and Means  
Subcommittee on Human Resources  
Wednesday, July 31, 2013**

Chairman Reichert, Ranking Member Doggett, Members of the Ways and Means Subcommittee on Human Resources. My name is Michelle R.B. Saddler, and I am the Secretary of the Illinois Department of Human Services (IDHS).

Thank you so much for the opportunity to testify before you today and share some of Illinois' experience in coordinating the maze of public benefits while leading families toward self-sufficiency. I would like to share how we help our "customers" navigate a variety of public benefits that provide genuine help to our state's most vulnerable residents.

Today I would like to cover four messages:

- I) We in Illinois have streamlined our service delivery and improved efficiency, helping people better navigate the system.**
- II) We have used current flexibility within the core public benefit programs to improve access to critical work supports.**
- III) Too much flexibility can reduce accountability and be counter-productive.**
- IV) The safety net works.**

From the time I came to IDHS in 2009, my focus has been on the PEOPLE of Illinois. Yes, I have to spend a considerable amount of my time dealing with budgets, procurements, legislators and myriad other tasks involved in running one of the largest agencies in the state. But all of our efforts have been done with the focus on striving to be a values-driven agency that creates a culture of caring and creates new possibilities for one another and our customers.

Creating a vision is the easy part; the real challenge is in operationalizing it and actualizing it in an environment with increasing demand and decreasing resources. It is difficult to talk about a culture of caring in a context where an individual caseworker is now responsible for more than 2600 cases, leaving less than 45 minutes per year with each of their families. Despite these obstacles, we are on a winding journey that has taken many turns, but we have a clear and focused goal toward which we strive.

That goal is exactly what this Committee is here to discuss - how can we create a system that delivers a complex array of public benefits, with different goals and different policies, that work together to move a family toward self-sufficiency?

**I. We have streamlined our service delivery and have improved efficiency, helping people better navigate the system.**

In Illinois, I am proud to say that we are on the forefront of streamlining our programs to provide coordinated access to benefits programs.

**Finding and Creating Efficiencies:** We have been fortunate to receive tremendous support from the Work Support Strategies Project, primarily funded by the Ford Foundation and supported by the Urban Institute, Center on Budget and Policy Priorities, and the Center for Law and Social Policy. Our focus has been on utilizing the flexibility within the core work support programs - SNAP, Medicaid, TANF, and child care - to coordinate the delivery of this package of benefits that supports families in employment and moves them toward self-sufficiency. Through this project, our staff has had access to technical assistance, powerful peer learning and flexible resources. With that added support and clear goal of helping low-income Illinoisans, we have been making important improvements in how we coordinate and deliver services.

When I began, our benefit delivery system was broken. Families had to apply multiple times to get the assistance their family desperately needed. They had to take hours or even days off of work to sit in a local office to get help, potentially losing the very work we encourage. Our focus has been on finding and creating efficiencies in this system, seeking a better environment for customers and staff. A more efficient and accessible system leads to greater stability for families and ultimately saves the government future costs of benefits and administration.

Some of the solutions were simple, some were complex. We started with quick wins, refreshing paint and replacing carpet, establishing different queues and posting clear signs. We engaged staff, asking the people dealing with the system and customers day in and day out what needed improvement.

We also used data, on a macro and micro level, to evaluate the success of our efforts. We developed a Data Dashboard, consolidating hundreds of pages of complex and inaccessible reports into a straight-forward and useful format that each office could use to measure and improve their processes. We constantly measured at the local office level, looking at daily statistics and utilizing surveys to measure our impact. Rather than waiting for the results of a multi-year study, we measured on a daily, weekly, and monthly basis, adjusted our course, and measured again.

**Streamlining through use of new technology:** It is challenging to create a seamless and accessible benefit delivery system when the programs themselves have complex policies. Yet, there *is* flexibility within the programs, and technology can play a major role in supporting the accurate and efficient administration of benefits.

The Affordable Care Act has provided Illinois with the critical ingredients a state needs to accomplish something great - funding and a deadline. Utilizing the enhanced match for system developments, Illinois is replacing our 30+ year-old legacy system with a modern system that will increase accuracy and efficiency, and allow the caseworker to focus more on the customer in

front of them and less on paperwork. Our new Integrated Eligibility System will provide an enhanced customer application as well as a self-service portal. This will allow customers to apply online 24/7, not having to miss work to come in during OUR office hours. It will also eventually allow them to check their status and see what paperwork is due, reducing the churning that jeopardizes family well-being and wastes time and resources. The worker portal will provide more efficient and intuitive application processing, relying heavily on integration with electronic data sources to confirm information provided by the customers. This will increase accuracy, deter fraud, and allow our workers to return to their primary mission - helping support families as they work to escape poverty.

## **II. We have used current flexibility within the core public benefit programs to improve access to critical work supports.**

As this panel looks at innovation, I want to share with you some examples of how Illinois has used the flexibility that states *already* have to design programs that encourage work participation and streamline access.

One of the most innovative funding streams I have seen during my time in state government is the TANF Emergency Contingency Fund (ECF). The ECF was part of the American Recovery and Reinvestment Act, and it provided a pool of money states could draw from to assist TANF families. It was not just free money for the states to use as they see fit - the states had to contribute 20% of the total costs, ensuring that the dollars were wisely invested. In Illinois, we focused on the funding category around subsidized employment, allowing us to provide quality work opportunities to our customers while supporting businesses. Through Put Illinois to Work and our other programs, we placed over 35,000 Illinoisans in jobs, providing not only financial support but critical opportunities to gain valuable experience.

We have used the flexibility of TANF in other ways as well. For example, the flexibility of the block grant has allowed us to substantially increase our investments in child care, making it possible for more families to work and meet their families' basic needs. A second example is our "Work Pays" disregard. In Illinois, for every four dollars that our TANF participants earn, we only count ONE dollar against their grant amount. This allows families to continue receiving limited assistance until their earnings lift them out of poverty.

We also have examples of flexibility from Medicaid such as the way in which we will be able to use information from our robust SNAP eligibility assessments now to enroll people into the Medicaid program. Through a current Medicaid waiver, we are able to utilize the household and income information that we already have on record to determine eligibility for expanded Medicaid. We are able now to simply lift and transfer those eligible SNAP recipients onto the newly eligible Medicaid roles without conducting redundant application and eligibility determinations.

In SNAP, we utilize various flexible options within the program such as the in-person interview waiver for new applications. The waiver allows us to interview customers over the phone rather than making them come into the office. This increases access for the elderly and people with

transportation challenges, reduces the burden on *working families*, and streamlines our operations by decreasing traffic in our local offices.

### **III. Too much flexibility can reduce accountability and be counter-productive.**

While states appreciate flexibility and it can provide opportunities for innovation, there must be a strong federal structure within which to operate. As a state administrator, I want to have very clear and realistic outcomes for which I will be held accountable. Too much flexibility does not provide that kind of clarity and makes it far more difficult to develop and sustain a service system that aims for continual improvement.

As the panel considers reforming public benefit programs, I urge you to draw on past successes like the TANF ECF. The beauty of the TANF ECF is that it provided states with flexibility within a very well-defined set of legislative priorities. We chose to invest significant resources in subsidized employment; other states chose to invest in short-term nonrecurring benefits. Regardless of our individual choices, we were all focused on helping families make it through tough economic times.

While recognizing the value of work and incentivizing it for those in poverty, it is critical to recognize that work is something we must INVEST in. Our investments in child care, health coverage and the Earned Income Tax Credit demonstrate that Illinois takes supporting working families seriously. Simply mandating work or setting time limits on programs without investing in education, training, and employment opportunities along with work supports will lead to further destitution among our country's most vulnerable residents.

The downside of flexibility is illustrated by the issues TANF faced during the economic downturn. When the recession hit vulnerable families full force, SNAP and unemployment insurance benefits significantly increased. TANF, however, failed to respond in many states. Speaking from the experience in Illinois, we struggled to find the resources to fund TANF as it sought to respond to the increased need. The very flexibility granted by TANF worked against us. As caseloads had decreased in the past, those funds were redirected toward other critical programs, like child care and the Earned Income Tax Credit. When demand increased and we needed to redirect those funds toward TANF cash assistance, we faced the choice of what to cut in order to fully fund TANF. Welfare reform and the past 17 years of state experiences serve as a powerful tale of the value of innovation and incentivizing work, but also as a cautionary tale about flat funding sources that do not have the flexibility to respond to great need when it arises.

It is helpful for the Federal government to provide a solid framework for these programs, while allowing flexibility within that framework. The government has the ability to synthesize the success and failures from across the nation and use that information to continually improve the programs as they seek to fulfill their missions. This decreases the burdens on the state so they do not each have to reinvent the wheel. This in turn allows states to focus on key areas that can be modified rather than fighting constant battles about every aspect of a program.

#### **IV. The safety net works.**

Amid all the talks of reforms, it is important that we not lose sight of what these programs are about – helping people meet the most basic needs of their families for food, shelter, and medical care. And these programs DO WORK in fulfilling these basic needs and lifting families out of poverty.

According to research from the Center on Budget and Policy Priorities, low-income programs lifted 40 million people, including 9 million children, out of poverty in 2011. For SNAP, 76% of households include a child, an elderly person, or a disabled person.<sup>i</sup> For the more than 9 million SNAP households with children<sup>ii</sup>, this program provides an essential benefit during critical years of development and can positively impact their educational attainment and future potential.

In addition to meeting families' basic needs, these programs do actually help many people progress towards self-sufficiency. Each year, we in Illinois close approximately 10,000 TANF cases because their earnings are too high for them to continue receiving assistance. Our efforts to support them in education and training and to connect them to employment opportunities pay off for these families.

Many of our families work, but need assistance either to supplement their underemployment or to serve as a bridge between jobs. In fact, 86% of children enrolled in Medicaid or CHIP live in working families.<sup>iii</sup> The Child Care Assistance Program provides care and education to 165,000 children in Illinois, and supports parents as they work. The fact of the matter is that the minimum and low wage jobs that millions of Americans work every day do not pay enough to lift a family out of poverty, even with full-time work.

Millions of families rely on SNAP, Medicaid, and/or child care to supplement their earnings and support their families. Without these safety nets, these families would be unable to sustain their employment and would fall further into poverty.

I truly consider it a privilege to hold this position during such an exciting time in the world of human services. I hope that the experience of Illinois provides an example of how states can successfully utilize the flexibility within federal work support programs, as well as innovate when opportunities like the Emergency Contingency Fund arise, to support families as they move toward self-sufficiency. Thank you again to all members of the Subcommittee for the chance to be here today.

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<sup>i</sup> U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2010*, by Esa Eslami, Kai Filion, and Mark Strayer. Project Officer, Jenny Genser. Alexandria, VA: 2011.

<sup>ii</sup> *Ibid.*

<sup>iii</sup> Center on Budget and Policy Priorities Analysis using Census Bureau Data.