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# Applying Online: Using Technology to Enroll Low-wage Workers in Public Benefits

Liz Schott\*

## I. INTRODUCTION

¶1 Many workers in this country do not earn enough to make ends meet, especially if they are supporting a family. Low-income working families face a gap between basic needs and their earnings. Publicly-funded work supports such as food stamps, public health insurance, and child care subsidies can help these families make ends meet. Yet low-wage workers often do not receive publicly-funded work supports for which they qualify. The reasons for and responses to these low take-up rates have received a great deal of attention in the wake of welfare reform.

¶2 Reasons identified for the low take-up rates include lack of information about eligibility and how to apply, as well as the hassles of applying, particularly going to the local welfare office to access benefits. Some responses include initiatives to increase knowledge, such as outreach and education efforts, including employer-based efforts and online benefit screeners to test eligibility and potential benefit amounts. Other responses focus on easing the enrollment process by simplifying application forms or procedures, including allowing families to enroll in benefits without making a trip—or multiple trips—to the welfare office. This Article looks at one response to the hassles of applying for benefits: using technological innovations to allow for “out-of-office” application for benefits. Recent technological changes make it easier for states to develop and for applicants to access internet technology to apply for benefits from outside of the welfare office.

## II. PUBLIC BENEFIT PROGRAMS AS WORK SUPPORTS

¶3 Work supports can help families with low wages make ends meet.<sup>1</sup> Food stamps and Federal and State Earned Income Tax Credits (EITC) can add income to the family household. Public health insurance and child care subsidies can reduce expenses that otherwise might be incurred. A number of studies indicate that child care subsidies in particular can improve employment outcomes, including increased employment

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<sup>1</sup> See, e.g., NANCY K. CAUTHEN, ECON. POLICY INST., IMPROVING WORK SUPPORTS: CLOSING THE FINANCIAL GAP FOR LOW-WAGE WORKERS AND THEIR FAMILIES 4–5 tbl.2 (2007) (illustrating the gap between family income and expenses that work supports can fill).

retention.<sup>2</sup> Public health insurance can also increase access to primary and preventative health care, which improves the health of parents and children, and good health is associated with higher rates of employment and employment stability.<sup>3</sup>

¶4

The three types of work supports for low-income families with children—food stamps, child care subsidies, and public health insurance (Medicaid or the State Children Health Insurance Program (SCHIP))—are generally administered through local human services agencies and are the primary focus here. These programs each have different eligibility limits, and income limits often vary by state. In most instances, poor families—that is, families with income below 100% of the Federal Poverty Level (FPL)—are poor enough to qualify for some or all of these benefit programs. Low-income families—those with income below twice the FPL—may also qualify for some of the following programs:

- Food stamps generally are available to families with incomes below 130% of the federal poverty level.<sup>4</sup>
- Public health insurance as used here includes Medicaid for children or families and SCHIP. While the eligibility limits for Children’s Medicaid or SCHIP varies by state, more than forty states provide public coverage for children with incomes at 200% of the FPL or higher.<sup>5</sup> Family Medicaid coverage—which includes the parents as well as the children—varies by state as well, and the eligibility limits often are much lower than those used for children; only about one-third of states cover parents in families with income at the FPL or higher.<sup>6</sup>
- Child care subsidies’ eligibility limits vary by state as do the cost-sharing obligations that families must meet. In addition, some states have waiting lists for working families who are not current or recent Temporary Assistance for Needy Families (TANF) recipients, while others cover all who qualify. In 2006, about three-quarters of states had income eligibility limits of 200% FPL or lower.<sup>7</sup> In some states, child care subsidies are administered by

<sup>2</sup> HANNAH MATTHEWS, CTR. ON LAW AND SOC. POLICY, CHILD CARE ASSISTANCE HELPS FAMILIES WORK: A REVIEW OF THE EFFECTS OF SUBSIDY RECEIPT ON EMPLOYMENT 1 (2006), *available at* [http://www.clasp.org/publications/ccassistance\\_employment.pdf](http://www.clasp.org/publications/ccassistance_employment.pdf); SHEILA ZEDLEWSKI, GINA ADAMS, LISA DUBAY & GENEVIEVE KENNEY, THE URBAN INST., IS THERE A SYSTEM SUPPORTING LOW-INCOME WORKING FAMILIES? 15 (2006), *available at* [http://www.urban.org/UploadedPDF/311282\\_lowincome\\_families.pdf](http://www.urban.org/UploadedPDF/311282_lowincome_families.pdf) (discussing research on the effect of work supports on employment).

<sup>3</sup> *See* CAUTHEN, *supra* note 1, at 6.

<sup>4</sup> 7 C.F.R. § 273.2(j) (2007); 7 U.S.C. § 2014(a) (2007). While the Food Stamp Program policies are set by federal law and rules, there are a number of state options. One option—known as expanded categorical eligibility—allows states to effectively waive the 130% gross income test and therefore provide food stamps to families above this limit who qualify once their expenses are considered.

<sup>5</sup> DONNA COHEN ROSS, LAURA COX & CARYN MARKS, THE HENRY J. KAISER FAMILY FOUND., RESUMING THE PATH TO HEALTH COVERAGE FOR CHILDREN AND PARENTS: A 50-STATE UPDATE ON ELIGIBILITY RULES, ENROLLMENT AND RENEWAL PROCEDURES, AND COST-SHARING PRACTICES IN MEDICAID AND SCHIP IN 2006, 26, 30 (2007), *available at* <http://www.kff.org/medicaid/upload/7608.pdf>.

<sup>6</sup> *Id.* at 26, 34.

<sup>7</sup> KAREN SCHULMAN & HELEN BLANK, NAT’L WOMEN’S LAW CTR., STATE CHILD CARE ASSISTANCE POLICIES 2006: GAPS REMAIN, WITH NEW CHALLENGES AHEAD 3, 9 (2006), *available at*

the human services agency; in other states, subsidies are administered by a different entity.

¶5 This discussion does not focus on state cash assistance programs funded through the TANF Block Grant; rather, this discussion will focus on employed families who are *not* currently connected to benefit programs because, in many states, even low earnings will make the family income too high for TANF benefits.<sup>8</sup> Any online application process should include TANF benefits; however, some do not.<sup>9</sup> As discussed further below, designing an online application that does not include TANF does a disservice to families who may need the cash assistance benefits.

¶6 One of the most important work supports, the Federal EITC, also is not included in this discussion, as it is administered by the Internal Revenue Service through the tax system. This Article will focus on work supports obtained by applying for benefits through state or local human services agencies. For the same reason, the state counterparts of the EITC which exist in at least twenty states also are not addressed.

### III. THE PROBLEM: LOW TAKE-UP OF WORK SUPPORTS

¶7 The available data shows that many low-income working families who appear to be poor enough to qualify for food assistance, child care, and public health insurance benefits are not taking them up. A significant share of families, one-quarter of poor working families and thirty-eight percent of low-income working families, receive *none* of these work support benefits.<sup>10</sup> A very small share of working families receive *all* of the key public work supports—less than five percent of low-income families with children and only seven percent of poor working families receive *all three* of the key benefits.<sup>11</sup>

¶8 Take-up rates vary across different benefit programs. For food stamps, take-up rates for working poor individuals are consistently lower than the rate for all eligible individuals. Some fifty-seven percent of working eligible individuals receive food stamps, as compared to sixty-five percent of all eligible persons.<sup>12</sup> The lowest take-up rates are for child care subsidies.<sup>13</sup> The take-up rates for children's health insurance are

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<http://www.nwlc.org/pdf/ChildCareSubsidyReport.pdf>.

<sup>8</sup> See generally LIZ SCHOTT, CTR. ON BUDGET AND POLICY PRIORITIES, USING TANF OR MOE FUNDS TO PROVIDE SUPPLEMENTAL ASSISTANCE TO LOW-INCOME WORKING FAMILIES (2008), <http://www.cbpp.org/5-24-07tanf.pdf>. There are two ways that states can use TANF and MOE funds to provide additional supports to working families. First, while welfare benefits are very low, states can provide a work support within its TANF welfare program by “make work pay” policies which disregard a large share of earnings so that workers do not lose eligibility for welfare while they have low earnings. Nearly all states expanded their earnings disregards from the prior AFDC structure under the TANF block grant. In addition, states have recently expanded the use of worker supplement programs that provide a cash (or cash-like payment) to working families who are outside of the regular TANF cash assistance caseload; often these are transitional cash payments to recent TANF leavers. About a third of states have authorized or begun to operate these worker supplement programs in recent years.

<sup>9</sup> See discussion *infra* note 35 and accompanying text.

<sup>10</sup> See ZEDLEWSKI, ADAMS, DUBAY & KENNEY, *supra* note 2, at 20.

<sup>11</sup> *Id.* It is important to consider this statistic in light of the fact that not all low-income families qualify for all of the benefits; some families may be over the income cut-off for a particular program.

<sup>12</sup> FOOD & NUTRITION SERV., U.S. DEP'T OF AGRIC., REACHING THOSE IN NEED: FOOD STAMP PARTICIPATION RATES IN 2005, 1 (2007).

<sup>13</sup> There are a number of reasons why child care take-up is low. Often, child care is not an entitlement

about sixty percent.<sup>14</sup> Nearly all low-income families qualify for children's health insurance and states have made the greatest efforts at outreach and eased enrollment in this area.

¶9 The hassle of applying is a major reason cited for low take-up rates. In one study of children's enrollment in Medicaid or SCHIP conducted in late 1998 and early 1999—before many states had simplified their children's health insurance application procedures—parents who had begun but not completed the application process for their children were asked why they had not completed that process. The reasons cited were hassles, complications, and difficulty getting the required paperwork.<sup>15</sup> Parents who had never applied for Medicaid also had negative views about the application process: some fifty-two percent said they had not applied because “they believed the application process would take too long,” while more than forty percent cited problems related to going to an office to apply.<sup>16</sup>

¶10 Research on other support programs has found similar results. A Washington State survey of individuals who appeared to qualify for, but did not receive, benefits such as food stamps, child care assistance, or Medicaid found that hassles related to the application process were among the top reasons that individuals did not complete the enrollment process.<sup>17</sup> For example, of those who appeared eligible but did not receive food stamp benefits, one-quarter indicated that the reason they did not participate in the program was that the application process was too burdensome.<sup>18</sup> Many of these eligible non-participants also indicated that they lacked information about how to apply and did not want to take time off work to apply for food stamps.<sup>19</sup>

¶11 Similarly, in a major multi-year national study of why persons do not receive food stamps, researchers found that two-thirds of those studied who appeared eligible but did not apply for food stamps cited the perceived “costs” of applying—including the paperwork required, the necessity of taking time away from work or dependent care responsibilities, or difficulty getting to the food stamp office—as reasons for not applying.<sup>20</sup> The study also found that among eligible households who started but did not complete the application process, more than one-fourth cited some aspect of the application process (including verification, difficulty getting to the office, and the wait at

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program and there are waiting lists in many states. So inadequate funding, and not simply insufficient take-up, plays a part here. In addition, not all low-income working families need child care; the children may be older and/or the family may have a way to cover out-of-school time informally.

<sup>14</sup> ZEDLEWSKI, ADAMS, DUBAY & KENNEY, *supra* note 2, at 20.

<sup>15</sup> MICHAEL PERRY & SUSAN KANNEL, THE HENRY J. KAISER FAMILY FOUND., MEDICAID AND CHILDREN: OVERCOMING BARRIERS TO ENROLLMENT 8–12 (2000), *available at* <http://www.kff.org/medicaid/upload/Medicaid-and-Children-Overcoming-Barriers-to-Enrollment-Report.pdf>.

<sup>16</sup> *Id.*

<sup>17</sup> DEBBIE ZIEDENBERG, WASH. STATE OFFICE OF FIN. MGMT., GOING IT ALONE: WHY ELIGIBLE FAMILIES CHOOSE NOT TO RECEIVE PUBLIC BENEFITS 11–20 (2005), *available at* <http://www.ofm.wa.gov/humanserv/survey2004/fullreport.pdf>.

<sup>18</sup> *Id.* at 11.

<sup>19</sup> *Id.* at 12.

<sup>20</sup> SUSAN BARTLETT, NANCY BURSTEIN & WILLIAM HAMILTON, ECON. RESEARCH SERV., FOOD STAMP PROGRAM ACCESS STUDY: FINAL REPORT E-3 (2004), *available at* <http://www.ers.usda.gov/publications/efan03013/efan03013-3/efan03013-3.pdf>.

the office) as a reason.<sup>21</sup> *Half of the households that started but did not complete the food stamp application process were **working** households.*<sup>22</sup>

#### IV. ONE RESPONSE: “OUT-OF-OFFICE” ENROLLMENT THROUGH ONLINE APPLICATIONS

¶12 There are many strategies that can facilitate enrollment in publicly-funded work supports for low-income working families. Some responses include initiatives to increase knowledge—outreach and education efforts, including employer-based efforts and online benefit screeners to test eligibility and potential benefit amounts. Others focus on easing the enrollment process—shortening forms, limiting in-person interviews, and lessening burdensome verification requirements. All are good ideas and none are mutually exclusive. One area that is actively and quickly evolving is the use of technology for “out-of-office” enrollment through online application.

¶13 “Out-of-office” enrollment is not limited to new technology. While there have long been ways that families could start the application process by mail from outside of the welfare office, these had not been widely used for some benefit programs. Now, mail-in applications are easier to start since application forms are generally posted on (and printable from) the internet.<sup>23</sup> States also use out-stationed workers for some benefits (particularly Medicaid and SCHIP); employees of the state or local human services agency take applications (and may conduct interviews) at a site *other than* the welfare office.<sup>24</sup> Some states, for example Utah, have made extensive use of telephone call centers to facilitate interviews for “out-of-office” enrollment.<sup>25</sup>

¶14 The new wave of “out-of-office” enrollment initiatives, however, makes greater use of technology for submission of the application through the internet. “Online application” as used here refers to publicly accessible web-based processes through which a user can apply for benefits directly to the human services agency that is determining eligibility. While, by dint of the definition used here, the process is available to any member of the public to engage in without assistance, some families receive help to complete the forms from community organizations.

¶15 More than one-quarter of states have publicly accessible online application systems for one or more of the work support programs—and more states are in the development

<sup>21</sup> *Id.* at 4-8.

<sup>22</sup> *Id.* at 4-4.

<sup>23</sup> Some forty-nine states, including the District of Columbia, have food stamp applications posted online; typically these applications also include other benefit programs as well. CTR. ON BUDGET AND POLICY PRIORITIES, FOOD STAMPS ON-LINE: A REVIEW OF STATE GOVERNMENT FOOD STAMP WEBSITES, <http://www.cbpp.org/8-25-03fa.htm>.

<sup>24</sup> See 42 C.F.R. § 435.904(c) (2002); PAMELA A. HOLCOMB, KAREN C. TUMLIN, ROBIN KORALEK, RANDOLPH CAPPS & ANITA ZUBERI., THE URBAN INST., THE APPLICATION PROCESS FOR TANF, FOOD STAMPS, MEDICAID, AND SCHIP: ISSUES FOR AGENCIES AND APPLICANTS, INCLUDING IMMIGRANTS AND LIMITED ENGLISH SPEAKERS 3–5 (2003), *available at* <http://www.urban.org/UploadedPDF/410640.pdf> (“Interest in improving access to and enrollment in Medicaid has also led to a variety of strategies to increase the points of program entry either by out-stationing workers capable of conducting eligibility screenings or eligibility determinations in locations that are more convenient and accessible to the community. Medicaid programs have used this general outreach approach since the late 1980s when Medicaid first expanded coverage to pregnant women and children. To reach this new population, Medicaid agencies began placing out-stationed eligibility workers at hospitals and federally qualified health centers.”).

<sup>25</sup> Utah Dep’t of Workforce Servs., Presentation: Journey to a Full Service Call Center (Sept. 2008) (on file with author).

process.<sup>26</sup> Some states have online applications for single programs only, such as food stamps (e.g., Rhode Island)<sup>27</sup> or children's health insurance (e.g., Alabama and Georgia).<sup>28</sup> New Jersey has separate single-program online applications for different programs (i.e., one for food stamps and a different one for health care).<sup>29</sup> Other states have combined online applications that include child care and cash assistance as well as food stamps, health coverage, and other benefits. Because the terrain is changing fast in this area, it is sometimes hard to keep a current and accurate count.

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According to a recent Governmental Accountability Office (GAO) report on food stamp programs, more than half of states are operating or developing web-based systems through which households can submit applications for food stamp benefits online.<sup>30</sup> GAO noted that fourteen states are currently providing online application access for food stamps, with most developed within the last three years.<sup>31</sup> Nearly all of these online applications include multiple benefit programs. For example, in Kansas,<sup>32</sup> Delaware,<sup>33</sup> and Washington,<sup>34</sup> a family can apply for health coverage, food stamps, TANF cash assistance, and child care subsidies through a single online application process. Wisconsin includes multiple benefit programs but does not include TANF cash assistance,<sup>35</sup> the state has thus shaped the technology to make it harder to access cash assistance, reflecting the state's longstanding ideological anti-welfare bias.<sup>36</sup> In some other states (e.g., Florida, Pennsylvania, Texas, and West Virginia)<sup>37</sup> child care subsidies

<sup>26</sup> While there is not a single accurate collection detailing online applications, the U.S. Government Accountability Office's report on food stamp programs contains a fifty-state list that identifies, with respect to food stamps, those states with current online applications and those where a call center or online application is in the works. U.S. GOV'T ACCOUNTABILITY OFFICE, PUBL'N NO. GAO-07-573, FOOD STAMP PROGRAM: USE OF ALTERNATIVE METHODS TO APPLY FOR AND MAINTAIN BENEFITS COULD BE ENHANCED BY ADDITIONAL EVALUATION AND INFORMATION ON PROMISING PRACTICES 42-43 (2007), available at <http://www.gao.gov/new.items/d07573.pdf> [hereinafter GAO REPORT].

<sup>27</sup> See R.I. Department of Human Services, Application for Services for Individuals & Families, <https://www.foodstamps.ri.gov/admin/login.cfm> (last visited Feb. 25, 2009).

<sup>28</sup> See Insure Alabama Home Page, <https://insurealabama.adph.state.al.us/> (last visited Feb. 25, 2009); Peach Care for Kids Home Page, <http://www.peachcare.org/> (last visited Feb. 25, 2009).

<sup>29</sup> Compare New Jersey Department of Human Services, Food Stamp Online Application, <https://foodstamps.dhs.state.nj.us/forms/frmHome.aspx> (last visited Feb. 25, 2009) (food stamps) with NJ Family Care Home Page, [https://fc.dhs.state.nj.us/forms/NJFC\\_0.aspx](https://fc.dhs.state.nj.us/forms/NJFC_0.aspx) (last visited Feb. 25, 2009) (health care).

<sup>30</sup> See GAO REPORT, *supra* note 26, at 42.

<sup>31</sup> *Id.*

<sup>32</sup> See Kansas Department Social & Rehabilitation Services, Online Application, <http://www.srskansas.org/onlineapp/#> (last visited Feb. 25, 2009).

<sup>33</sup> Delaware Application for Social Services & Internet Screening Tool, <https://assist.dhss.delaware.gov/PGM/ASP/SC001.asp> (last visited Feb. 25, 2009).

<sup>34</sup> Washington Department Social & Health Services, Online Application for Services, [https://fortress.wa.gov/dshs/f2ws03esaapps/onlineapp/introduction\\_1.asp](https://fortress.wa.gov/dshs/f2ws03esaapps/onlineapp/introduction_1.asp) (last visited Feb. 25, 2009).

<sup>35</sup> See Wisconsin Access Home Page, <https://access.wisconsin.gov/> (last visited Feb. 25, 2009).

<sup>36</sup> For a discussion on Wisconsin's approach to welfare reform, see generally JASON DEPARLE, AMERICAN DREAM: THREE WOMEN, TEN KIDS, AND A NATION'S DRIVE TO END WELFARE (2004).

<sup>37</sup> See Florida Department of Children & Families, Access Florida Home Page, <http://www.myflorida.com/accessflorida/> (last visited Feb. 25, 2009); Pennsylvania Compass Home Page, <https://www.humanservices.state.pa.us/compass/CMHOM.aspx> (last visited Feb. 25, 2009); Texas Health & Human Services Commission, Your Texas Benefits Home Page, <https://www.yourtexasbenefits.com/wps/portal> (last visited Feb. 25, 2009); West Virginia Health & Human Resources, Family Assistance Home Page, [http://www.wvdhhr.org/bcf/family\\_assistance/fs.asp](http://www.wvdhhr.org/bcf/family_assistance/fs.asp) (last visited Feb. 25, 2009).

are not included in the online application that includes multiple benefit programs. A number of online applications include a range of other benefit programs for which eligibility is also determined by the human services agency, such as low-income emergency assistance.

#### A. *Electronic Assisted Applications*

¶17 The term “online application” is sometimes used to include a broader category of electronic or online submission of applications for benefits; the larger category includes processes that are not publicly available and can only be used to apply with the aid of a third party, often referred to as an application assistor. Assisted applications use a range of technological approaches to collect information and transmit it to the human services agency. Typically, an “assistor” collects information from the applicant to populate an application and submits it to the human services agency on behalf of the applicant, often electronically transmitting it through e-mail, fax, or the internet (perhaps through a password protected website with limited access). The third-party assistor may be connected to a non-profit or for-profit organization and may engage in a broad range of outreach, screening, and application follow-up activities. For example, *EarnBenefits* is an initiative of Seedco and can connect applicants to EITC and help with heating bills as well as food stamps, Medicaid, and other benefits.<sup>38</sup>

¶18 “Assisted application” initiatives that are not publicly accessible operate in a number of states for various (and sometimes multiple) work support programs. An early and prominent example is Health-e-App in California, which enrolls children in Medicaid and SCHIP.<sup>39</sup> This initiative is being expanded to include other benefit programs under the name of One-e-App in several California counties.<sup>40</sup> A number of other states and localities also operate application assistance initiatives, which include electronic or online application submission, such as Real Benefits,<sup>41</sup> *EarnBenefits*,<sup>42</sup> and The Benefit Bank.<sup>43</sup> Another initiative uses Benefit Enrollment Network software in both private and public sector sites; United Way is now participating in this approach.<sup>44</sup> Some assisted application initiatives, perhaps reflecting a broad anti-welfare bias, have not included TANF cash assistance in their included range of benefit programs.<sup>45</sup>

¶19 From the perspective of making it easier for families to apply for benefits without a trip to the welfare office, a publicly accessible online application provides the broadest access. It allows families to complete the application from their home (when computer and internet access is available, discussed further below) rather than requiring a busy

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<sup>38</sup> See *EarnBenefits* Online, <http://www.earnbenefits.org> (last visited Feb 25, 2009).

<sup>39</sup> See CA.GOV: Department of Health Care Services, Healthy Families, <http://www.dhs.ca.gov/health-e-app/> (last visited Feb 25, 2009).

<sup>40</sup> See One-e-App: One Stop Access to Health Care, <http://www.oneeapp.org> (last visited Feb 25, 2009).

<sup>41</sup> See Real Benefits: An Initiative of Community Catalyst, <http://www.realbenefits.org/wv/index.php> (last visited Feb 25, 2009).

<sup>42</sup> *EarnBenefits* Online, *supra* note 38.

<sup>43</sup> The Benefit Bank: Connecting Communities to Resources, <http://www.thebenefitbank.com> (last visited Feb 25, 2009).

<sup>44</sup> See Nets to Ladders, <http://netstoladders.com> (last visited Feb 25, 2009).

<sup>45</sup> For example, Seedco provides application assistance at non-profit organizations and other sites using the *EarnBenefits* software package that they developed. While this package includes multiple programs, it does not include TANF.

working parent to go to yet another location to initiate an application. Application assistors simply can never be as broadly available as is the internet. Even when families do not have internet access at home, they may use the internet through family, neighbors, public libraries, or other locations; these too may be more convenient and more readily available than an application assistor.

¶20 This is not to say that there is no value or benefit in application assistors. They are a valuable addition whether or not the state has an online application. First, if a state does not have an online application process in place, working with community-based organizations that can provide application assistance may be the best “out-of-office” enrollment option available to families. Assisted models have been nimbler, quicker, and easier to start up, so they have filled an important gap as the slower, longer to start up state online application systems have slowly grown. Assisted models often include broader services both related to enrolling in public benefits and other family support initiatives; these may include outreach, benefit screening, and connection to asset-building.<sup>46</sup> Assisted applications can collect the applicant’s information once and use it to apply for services from multiple agencies.<sup>47</sup> They also can include assistance with applying for the EITC, which is not included in human services agency online applications (although EITC information is often included in agency-sponsored screening tools). Finally, assisted models might be available at a location that is convenient to a working parent, including employer-based enrollment.<sup>48</sup>

¶21 An application assisted model also can make a great contribution in facilitating completion of the application process and ensuring that supporting documentation is submitted and follow-up between the family and the agency occurs. Indeed, case management provided to successfully navigate the application process can be a major contribution to successful enrollment.

¶22 Application assistors can play an important role even when a state has a publicly-accessible online application, working with community partners to expand the number of families that have access to application assistance and to improve the outcomes for those applicants who apply with assistance can increase enrollment of eligible families. For example, Wisconsin used partners at food banks, community action agencies, tribes, and WIC clinics.<sup>49</sup> In such states, assistors are not the only way into the online application process, but they can help the families that they work with to more successfully navigate the process. For example, in Pennsylvania, applications that come in through community partners can be processed more quickly because the partners have already collected and

<sup>46</sup> See *EarnBenefits Online*, *supra* note 38.

<sup>47</sup> *EarnBenefits*, the Benefit Enrollment Network, Real Benefits, and One-e-App are examples of assisting application processes that generate applications to multiple agencies from a single interview collecting information. While some benefits are administered by the human services agency, others such as child care subsidies or energy assistance are often administered outside of the human services agency. See *id.*; Nets to Ladders, *supra* note 44; One-e-App, *supra* note 40; Real Benefits, *supra* note 43.

<sup>48</sup> See generally THE FINANCE PROJECT, WORK SUPPORTS AND LOW-WAGE WORKERS: THE PROMISE OF EMPLOYER INVOLVEMENT (2005), available at [http://www.dol.gov/cfbci/tlc/docs/BusinessPartnershipsLibrary\\_SectionC\\_WinningWaystoWorkwithBusinesses\\_4/Employer\\_Supports\\_Finance\\_Project.pdf](http://www.dol.gov/cfbci/tlc/docs/BusinessPartnershipsLibrary_SectionC_WinningWaystoWorkwithBusinesses_4/Employer_Supports_Finance_Project.pdf) (stating that employer-based strategies are often education and outreach, which may include using online screening tools and could include computer access for online applications or assisted application initiatives).

<sup>49</sup> See STATE OF WIS. DEP’T. OF HEALTH AND FAMILY SERV., FOOD STAMP PARTICIPATION GRANT: FINAL REPORT 22 (2006), available at <http://www.dhfs.state.wi.us/em/fspubs/Finalfederalreportssubmitted122206.pdf>.

submitted documentation.<sup>50</sup> The partners also collected and submitted signatures during the time prior to the availability of an electronic signature in the Pennsylvania online application.<sup>51</sup>

¶23 While publicly-available online applications and electronically assisted applications have an overlapping area of focus—submittal of an application for work supports—they are not interchangeable and are not mutually exclusive. A state need not choose which path to take but can benefit from having both approaches in place; the different approaches are not an “either/or” proposition.

*B. Will Low-Income Families Use the Internet to Apply for Benefits?*

¶24 While a digital divide continues to exist, states with online applications have found a large number of families do have internet access to enable them to apply online. Of course, online application is not for everyone and it should never replace applying through a local welfare office. A great many of the persons who need services from human services agencies—including elderly persons, individuals with disabilities, persons with limited-English proficiency, and others—may not have access to or feel comfortable with the technology for an online application. Several states, most prominently Florida, have used online applications as the dominant or sole mode of application; this has been problematic for some applicants, particularly those who are elderly, disabled, or illiterate.<sup>52</sup>

¶25 With respect to online applications for children’s health insurance, surveys from several years ago demonstrate that low-income families will use online applications for benefits. Texas surveyed its online applicants and found that nearly two-thirds had incomes below 150% of the federal poverty line.<sup>53</sup> Georgia found the average income of its online enrollees was 120% of the federal poverty line.<sup>54</sup>

¶26 While online applications can be a good option for a segment of applicants, it generally is not the most common method of application. Pennsylvania reports that it receives over twelve percent of its applications through its online COMPASS system.<sup>55</sup> Wisconsin received about fifteen percent of its applications online in the first four months of operation of its online application; this share has increased since that time.<sup>56</sup> Washington State receives about 8000 online applications a month, although this still

<sup>50</sup> For a description of the partners collecting the documentation, see LIZ SCHOTT & SHARON PARROTT, CTR. ON BUDGET AND POLICY PRIORITIES, USING THE INTERNET TO FACILITATE ENROLLMENT IN BENEFIT PROGRAMS: ELIGIBILITY SCREENERS AND ONLINE APPLICATIONS 23 (2005), <http://www.cbpp.org/12-14-04tanf.pdf>.

<sup>51</sup> *Id.* Recently, Pennsylvania has added an e-signature to its online application, but it still uses community partners to facilitate submission of documentation.

<sup>52</sup> See FLA. OFFICE OF PROGRAM POLICY ANALYSIS AND GOV’T ACCOUNTABILITY, ACCESS IMPROVED PRODUCTIVITY; ADDITIONAL REFINEMENTS WOULD BETTER MANAGE WORKLOAD 9 (2008), *available at* <http://www.oppaga.state.fl.us/reports/pdf/0813rpt.pdf>.

<sup>53</sup> KIRSTEN WYSEN, CAL. HEALTHCARE FOUND., PUBLIC ACCESS TO ONLINE ENROLLMENT FOR MEDICAID AND SCHIP 17 (2003), *available at* <http://ccf.georgetown.edu/index/cms-file-system-action?file=state+examples%2Fpennsylvania%2Fpubaccessonlineenrollmentlinked2.pdf>

<sup>54</sup> *Id.*

<sup>55</sup> PENN. DEP’T OF PUB. WELFARE, COMPASS DATA REPORT 2008 (on file with author) [hereinafter COMPASS DATA REPORT].

<sup>56</sup> STATE OF WIS. DEP’T. OF HEALTH AND FAMILY SERV., *supra* note 49.

represents a small share of total applications.<sup>57</sup> Some states that allow individuals to file an application online themselves or go through a community partner have found that most online applications come directly from individuals.<sup>58</sup>

### C. *Does the Convenience of Online Application Come with a Cost?*

¶27 Many families are taking advantage of the convenience of online applications to apply for benefits such as food stamps, public health insurance, and child care subsidies. In some instances, online application along with mailed or scanned documentation can allow an applicant to avoid a trip to the welfare office altogether. Even for food stamps—which require an in-person or telephone interview before benefits can be approved—online applications combined with phone interviews can allow enrollment without a trip to the welfare office.<sup>59</sup>

¶28 Applying for benefits without a trip to the welfare office can be a convenience and a catalyst in increasing the number of people who initiate applications for benefits, particularly for employed applicants. But, is there a cost for the convenience, and if so, how can that be minimized? The convenience should not, as a matter of law and fairness, result in any disadvantage that leaves the applicant with second-class status or less than the full rights accorded by law to an applicant. As online application processes increase in prevalence and use, they may become a primary mode of applying for benefits for a broad range of applicants, as is already the case in Florida.

¶29 The specific rights accorded an applicant for public benefits may vary by program. Some benefit programs—the Food Stamp Program is a prime example—have detailed requirements governing the application process. State laws, rules, or policies also may govern processing of applications for a range of benefit programs. As illustrated below, federal regulations set forth highly detailed food stamp requirements; thus the Food Stamp Program requirements provide a good baseline for what requirements must be met for a multi-program application (all of which include food stamps). At the same time, these rules generally pre-date the technological advances that allow for online application. Even if some have been tweaked to include references to online applications, as some food stamp federal rules have been, the rules have not been fully reassessed in light of shifting application processes.

### D. *Do Online Application Users Face Delayed Filing Dates?*

¶30 A key issue relating to submitting an application for benefits is when an online application is considered “filed” and whether internet users face delayed filing dates. Most persons completing an online application are likely to think they indeed have applied for the benefits—and in most state systems this is likely the case—but it could

<sup>57</sup> Telephone interview with staff at Wash. State Dep’t of Soc. and Health Serv., in Seattle, Wash. (March 5, 2008).

<sup>58</sup> COMPASS DATA REPORT, *supra* note 55 (reporting that Pennsylvania receives about five percent of its online applications through community partners.); WYSEN, *supra* note 53, at 18 (studying online health insurance applications in five states and finding that four reported the vast majority of applications came from individuals, while one state, Michigan, reported that about half of the applications came from individuals).

<sup>59</sup> See GAO REPORT, *supra* note 26, at 9 fig.2 (diagramming the eased enrollment process online).

also happen that the agency may be treating this simply as a first step in the process that has not yet resulted in a filed application.

¶31 When a formal application is considered “filed” matters. The date of application may govern the date on which benefits begin (as benefits may be approved back to the date of application for some programs such as food stamps) and thus the amount of benefits awarded. Medicaid benefits are awarded back to the first of the month of application, or if retroactive benefits are awarded, three months prior.<sup>60</sup> It is possible that a delayed application filing could bar Medicaid coverage for a month that otherwise would have been covered, including a past month in which major medical expenses were incurred.

¶32 The date of application triggers processing timelines. Many benefit programs require that applications are processed within thirty or forty-five days.<sup>61</sup> For food stamps, some very poor households have a right to expedited service that requires immediate approval and delivery of initial food stamps (with very limited verification required) within seven days.<sup>62</sup> Other benefit programs also may have procedures for emergency benefits or emergency processing of an application.<sup>63</sup>

#### 1. Is the Internet Submittal an “Application for Benefits” and Does It Trigger All of the Protections and Requirements That Attach to an Application?

¶33 The issue thus arises: “Is a formal application for benefits filed when the internet user presses submit?” The answer should be yes, and is in most instances. Granted, there are online screeners in which the user provides information that is used to identify potential benefit programs and amounts of benefits for which the user may qualify, but these are generally very clear about what additional steps are needed to submit an application. Federal law requires a signature for an application for food stamps or Medicaid.<sup>64</sup> While there are no *federal* signature requirements for TANF, child care programs, or SCHIP, states often require signatures for these programs as well.

¶34 Most online applications include some form of an electronic signature mechanism. We all use such e-signatures routinely in online transactions. Electronic signatures are considered to meet the federal food stamp requirement for a signature.<sup>65</sup> The Department

<sup>60</sup> See 42 C.F.R. § 435.914 (2007).

<sup>61</sup> See 7 C.F.R. 273.2(g)(1) (2007); 7 U.S.C. § 2020(e)(3) (2007) (requiring food stamps applications to be processed within thirty days and benefits are awarded back to the date of application); 42 C.F.R. § 435.911(a) (requiring Medicaid applications to be processed within forty-five days, or ninety days when a determination of disability is involved); 42 C.F.R. § 435.914(a) (2007) (requiring Medicaid benefits to be approved back to the beginning of the month of application, or if retroactive benefits are involved, three months prior).

<sup>62</sup> 7 C.F.R. 273.2(i)(3)(i) (2007); 7 U.S.C. § 2020(e)(9) (2007).

<sup>63</sup> See, e.g., STATE OF CAL. HEALTH & HUMAN SERV. AGENCY, COVERSHEET TO THE APPLICATION FOR CASH AID, FOOD STAMPS, AND/OR MEDI-CAL/34-COUNTY MEDICAL SERVICES PROGRAM (CMSP), available at <http://www.cdss.ca.gov/cdssweb/entres/forms/English/SAWS1.pdf> (detailing that California provides up to \$200 cash aid for Immediate Need while the application is being processed if certain requirements are met).

<sup>64</sup> See 7 C.F.R. § 273.2(g)(1) (2007); 7 U.S.C. § 2020(e)(2)(B)(iv) (2007); 42 C.F.R. § 435.907(b) (2007).

<sup>65</sup> See 7 C.F.R. § 273.2(c)(1) (2007) (“Applications signed through the use of electronic signature techniques or applications containing a handwritten signature and then transmitted by fax or other electronic transmission are acceptable.”); 7 U.S.C. § 2020(e)(2)(C) (2007) (“Nothing in this chapter shall prohibit the use of signatures provided and maintained electronically . . .”). A recent federal law change, effective October 1, 2008, also allows states to accept telephonic signatures for food stamp applications. 7

of Health and Human Services Center on Medicaid and Medicare Services, while not issuing formal guidance on the matter, has indicated that electronic signatures are acceptable for Medicaid applications as well.<sup>66</sup> It appears clear that at least a digitalized or scanned signature is acceptable for Medicaid. It is not clear, however, whether all types of electronic signatures are sufficient for Medicaid, and several states that use electronic signatures for their multiple program online application also require that a written signature page be submitted before Medicaid benefits can be approved.<sup>67</sup>

¶35 Exactly how an electronic signature is executed varies among different state systems. In Florida, users click on a button that says, “Sign Now.”<sup>68</sup> In Wisconsin, a user checks a box and types in his or her name to sign the application electronically.<sup>69</sup> Other states may use more elaborate security. Washington State is modifying its online application and electronic signature; the new approach will require the user to retype a series of symbols or letters, using the same approach used for many commercial online transactions.<sup>70</sup>

¶36 Because they eliminate extra steps and delay, electronic signatures are by far the best way to go, and the more recently developed systems are likely to incorporate e-signatures. In some states, however, the online application may not include an electronic signature and it appears that the application is not considered filed until a written signature is received, typically by mail or fax. These systems—which may be older—use a range of methods to collect signatures. Some states require that the user print, sign, and mail in a signature page.<sup>71</sup> Thus, the filing date of the application may not be the date of the online submittal, but a later date.

¶37 Application assistor models can also use a range of signature approaches; some of these are immediate and will not result in a delayed date of application. California’s Health-e-App—which is expanded to other benefit programs in some counties—equips the assistors with an electronic signature pad that creates and transmits a facsimile of the written signature. Thus, some of these systems contain a digitized signature or some type of e-signature while others do not.

¶38 The bottom line is that while a signature can be and often is transmitted as part of the internet or electronic submittal, there may be some processes which require submission of a hard copy signature at what may be a later time in the application. When

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U.S.C. § 2020(e)(2)(C); *see* DOTTIE ROSENBAUM, CTR. ON BUDGET AND POLICY PRIORITIES, FOOD STAMP PROVISIONS OF THE FINAL 2008 FARM BILL 4 (2008), <http://www.cbpp.org/5-23-08fa.pdf>.

<sup>66</sup> 42 C.F.R. § 435.907 (2007) requires a written application on an agency form which must be signed under penalty of perjury. Many states appear to use electronic signatures for Medicaid applications and several sources note that guidance from Centers for Medicare & Medicaid Services (CMS) indicates that electronic signatures are acceptable. *See, e.g.*, BERNADETTE WRIGHT, AGING & DISABILITY RESOURCE CTR., ONLINE MEDICAID SCREENING AND APPLICATIONS 9 (2007), *available at* [http://www.adrc-tae.org/tiki-download\\_file.php?fileId=26546](http://www.adrc-tae.org/tiki-download_file.php?fileId=26546). In Washington State, although an electronic signature is available, the agency currently requires Medicaid applicants to mail in a hard copy signature page; the application for other benefit programs can go forward with the electronic signature.

<sup>67</sup> WRIGHT, *supra* note 66, at 9.

<sup>68</sup> The language above the “Sign Now” button says, “I choose to apply for Public Assistance benefits for myself or my family. I choose to apply over the internet and authorize processing my online application with my electronic signature.”

<sup>69</sup> *See* STATE OF WISCONSIN DEP’T OF HEALTH AND FAMILY SERV., *supra* note 49, at 11.

<sup>70</sup> Interview with Staff at Wash. State Dep’t of Soc. and Health Serv., *supra* note 57.

<sup>71</sup> Maryland, West Virginia, and Kansas online application processes do not contain an e-signature option. Some states, Washington State is an example, include an electronic signature option for multiple programs and may still require a hard copy for Medicaid.

another step of signature submittal is needed, the filing date and all of the processes that relate to it may be delayed until the signature is received. When this occurs, it is essential that this information is clearly communicated to the user. Of course, as time passes and technology evolves, these approaches are likely to dwindle, but for now they are important to note.

¶39 If there is a delay in the date of filing, does it offset the convenience of online application? A delay is certainly not necessary, as an e-signature can eliminate the problem of obtaining a hard copy signature completely. For a busy working person, submitting the application online and mailing a signature may indeed result in as quick a date of application as waiting until the next opportunity to go to the welfare office to apply in person. Or, as may happen with a busy working parent, tasks get dropped or set aside, and the additional step could lead to a longer delay or an application that never is filed. Moreover, a system that institutionalizes this additional step and delay in an application process that is likely to be increasingly used by a broad range of applicants contorts the underlying policies for processing applications and providing benefits promptly to needy persons.

## 2. Does an Online Application Provide less Opportunity to Submit an Incomplete Application for Benefits?

¶40 Applying for needs-based benefit programs often requires detailed information about household income and assets as well as specific information, such as Social Security Number and date of birth, of all family or household members. Collecting all the information and confirming details can be a daunting task, and it cannot always be completed in one sitting. Under Federal Food Stamp Program requirements, the state agency must provide a means for applicants to immediately begin the application process with name, address, and signature.<sup>72</sup> States using combined application forms—those that cover multiple benefit programs—often carry this concept over to all benefits contained in the application form.<sup>73</sup> Federal Medicaid rules require that applicants have an opportunity to apply for Medicaid without delay.<sup>74</sup>

¶41 In the traditional approach of filing a paper application at the welfare office, state paper applications may include a short cover sheet or a first page of the application with clear instructions that the forms can be submitted with limited information to start the formal application process.<sup>75</sup> Of course, eligibility cannot be determined or benefits awarded until complete information has been provided, along with verification and, for

<sup>72</sup> 7 C.F.R. § 273.2(c) (2007).

<sup>73</sup> For example, see Washington State's multi-program application which instructs users that they can start the application process by submitting only their name, address, and signature. See WASH. STATE DEP'T OF SOCIAL & HEALTH SERV., APPLICATION FOR BENEFITS, *available at* [http://www.dshs.wa.gov/word/ms/forms/14\\_001.doc](http://www.dshs.wa.gov/word/ms/forms/14_001.doc).

<sup>74</sup> 42 C.F.R. § 435.906 (2007).

<sup>75</sup> For example, California uses a two-part multi-program application and an applicant can start the process for any of the programs included by submitting the short first part of the application (SAWS 1) but ultimately needs to provide the information in the second part (SAWS 2) before benefits can be authorized. See COVERSHEET TO THE APPLICATION FOR CASH AID, FOOD STAMPS, AND/OR MEDI-CAL/34-COUNTY MEDICAL SERVICES PROGRAM (CMSP), *supra* note 63; STATE OF CAL. HEALTH & HUMAN SERV. AGENCY, STATEMENT OF FACTS FOR CASH AID, FOOD STAMPS, AND/OR MEDI-CAL/34-COUNTY MEDICAL SERVICES PROGRAM, *available at* <http://www.dss.cahwnet.gov/Forms/English/SAWS2.pdf>.

some programs, after an interview has been completed. However, the filing date has now been established for benefits purposes.

¶42 Several issues arise when translating this requirement to online applications. The federal food stamp rule is clear that the right to submit minimal information to start the application process that day extends to online applications.<sup>76</sup> In 2004, and again in 2006, the USDA Food and Nutrition Service issued memos to state food stamp agencies confirming that online applications must inform applicants of the right to submit an application with minimal information the same day. The 2006 memo noted that several state online application processes did not conform to this requirement, and it appears that some states still do not allow for submittal with minimal information.<sup>77</sup>

¶43 Some state efforts at complying with these requirements are more user-friendly than others. In one state, the full application must be completed and submitted online within twenty-four hours of the initial information in order to protect the initial filing date.<sup>78</sup> In some states, while a user can submit with minimal information, they must page through all of the screens in order to reach the “submit” button.<sup>79</sup>

¶44 While permitting the filing of an application with minimal information may not be required as a matter of federal law for programs other than food stamps, states may be extending this approach to all other benefit programs, with good reason. First, if an applicant using a paper combined application for multiple benefits can start the application for all benefits with a short cover sheet, the same processes should extend to the online system. In its October 16, 2006 memo, the Food and Nutrition Service noted an approach in one state’s online application that allows immediate submittal only for the food stamp portion.<sup>80</sup> While this may comply with the federal food stamp rule, the better approach would be to extend the option to all of the benefit programs included in the application.

¶45 Wisconsin found that despite the option to submit an application for multiple benefits with only name, address, e-signature, and notice of the option in the online application tool, applicants chose to use the complete application option for eighty-five percent of the applications filed.<sup>81</sup> This result may be because, while Wisconsin’s online

<sup>76</sup> 7 C.F.R. § 273.2(c)(3) (2007). A Food and Nutrition Service memo addresses this minimal information requirement, how some state online systems did not inadequately comply, and the types of state system responses that are required. *See* Memorandum from Arthur T. Foley to All Food Stamp Program Regional Directors (Oct. 16, 2006), *available at* <http://www.fns.usda.gov/fsp/rules/Memo/06/101606.pdf>. The December 2004 memorandum is no longer posted online and is on file with author.

<sup>77</sup> Delaware and Virginia are examples of online applications that do not appear to provide for submittal with only name, address, and signatures. *See, e.g.*, DEL. HEALTH & SOCIAL SERV., APPLICATION FOR FOOD STAMPS, CASH ASSISTANCE, MEDICAL ASSISTANCE, AND CHILD CARE ASSISTANCE, *available at* <http://dhss.delaware.gov/dss/files/form100.pdf>.

<sup>78</sup> New Jersey’s online application allows a twenty-four hour window after Part 1 of the application is submitted for the applicant to begin and complete the full application online. The New Jersey online application is available at <https://foodstamps.dhs.state.nj.us/forms/frmHome.aspx>.

<sup>79</sup> West Virginia is an example of this scenario; the online application requires the user to page through screens to submit with minimal information.

<sup>80</sup> Memorandum from Arthur T. Foley to All Food Stamp Program Regional Directors, *supra* note 76.

<sup>81</sup> This data is based on a period from June to September 2006. *See* STATE OF WISC. DEP’T OF HEALTH & FAMILY SERV., *supra* note 49, at 31. More recent data continues this ratio. *See generally* WISC. DEP’T OF HEALTH SERV., ACCESS TO ELIGIBILITY SUPPORT SERVICES FOR HEALTH & NUTRITION, *available at* <http://dhs.wisconsin.gov/em/access/reports/2008/02february08/fullreport.pdf> [hereinafter ACCESS TO ELIGIBILITY] (compiling access and eligibility statistics through February 29, 2008).

application technically allows submittal of an incomplete application, the user needs to ignore repeated error messages to do so.

¶46 Allowing submittal of a partial application online is not limited to the minimal information option. It also extends to allowing an applicant to leave any question, or group of questions, blank if he or she does not yet have detail to provide an accurate answer. For example, an application may ask for detailed information about the amount of funds in a bank account (and account number) which the applicant may not have at hand. While the software can remind a user of incomplete answers, it should not require an answer to each question to proceed through the process or to submit the application. Along these same lines, most online application systems allow the user to save their information and return to complete it another time. Both options should be included—an ability to save and return to complete before submittal and an opportunity to submit now and provide additional information later.

¶47 For the range of “assisted applications,” issues of submitting minimal information and an incomplete application also arise. Assisted applications sometimes are submitted only when complete, including supporting documentation. While complete and supported applications can help speed processing and lead to fewer dropped applications, waiting for all the information can lead to a delay in starting the application, which ultimately can delay the approval and affect the amount of benefits awarded. There are trade-offs between submitting minimal information quickly and submitting complete information later—and applicants should be permitted to make the choice. The “application assistors” can be trained to ensure that the opportunity to submit with minimal information is used when all of the applicant’s detailed information for a complete application is not immediately available. To the extent that process for the assisted application submittal does not allow for minimal or incomplete submittal, the applicant is disadvantaged by using this route.

#### *E. Are Online Applicants Subject to Different Policies or Procedures?*

¶48 The biggest difference an applicant could face in using an online application is when a particular benefit program is not included at all in the online application; particularly when the online application is a multi-program one, exclusion of a single program is a barrier to access. For example, in Wisconsin<sup>82</sup> and Massachusetts,<sup>83</sup> an applicant cannot apply for TANF cash assistance online; this program requires a traditional paper application and likely one or more trips to the welfare office.

¶49 Another difference that could appear is in the questions on the application itself. In Florida, the online application contains more questions than the paper application.<sup>84</sup> Of course, the converse may also be true: an online application can use smart technology to skip entire areas of questioning—for example, if no one is disabled or elderly—while a

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<sup>82</sup> See State of Wisconsin, Access, <https://access.wisconsin.gov/> (last visited Feb 25, 2009).

<sup>83</sup> See State of Massachusetts, Screening Survey and Online Application, <https://service.hhs.state.ma.us/ier/jsp/screening/LoginServlet?Application=Screening> (last visited Feb 25, 2009).

<sup>84</sup> SCOTT CODY, RENÉE NOGALES & EMILY SAMA MARTIN, MATHEMATICA POLICY RESEARCH, MODERNIZATION OF THE FOOD STAMP PROGRAM IN FLORIDA 91 (2008), available at <http://www.fns.usda.gov/oane/MENU/Published/snap/FILES/ProgramOperations/FloridaModern.pdf>.

paper application may contain areas of questions that, while many can be skipped if not applicable, may initially appear daunting.

¶50 Another possible area of difference is that in some circumstances the programming of an online application could, wrongly, distort applicable eligibility policies. This problem arose in Florida's online application and is well described in a very interesting article entitled *Technological Due Process*:

[F]lorida residents seeking public assistance must submit online applications to ACCESS, the state's automated benefit system. These online applications require individuals to choose their status from a limited menu of options. In 2005, that menu did not include an option for a relative seeking benefits on a child's behalf. The mandatory nature of the online system effectively precluded such relative caregivers from applying for public benefits, a denial that directly contravened state law. Eligibility workers were unable to overrule this decision of the automated system, because the ACCESS system was the only way an individual could apply for benefits.<sup>85</sup>

Thus, the framing of the application questions denied access to benefits through the online application process to a group of families. The result was to deny access to benefits altogether to this group of eligible families.

#### V. HOW WELL DO ONLINE APPLICATIONS FARE IN SUCCESSFUL ENROLLMENT?

¶51 There is some evidence that online applications do not fare as well as other applications with respect to successful enrollment in benefits, but most states do not appear to be comprehensively tracking this information.

¶52 Wisconsin found that its approval rate for online submittals was considerably lower than the traditional application approval rate: approximately fifty-four percent of online applicants were approved for at least one benefit program as compared with an approximately eighty-five percent approval rate for traditional applications.<sup>86</sup> The most common reasons for denial of the online applications in Wisconsin are excess income or failure to provide verification<sup>87</sup>—typically among the most common reasons for denial of traditional applications as well.

¶53 Pennsylvania does not separately track the outcomes for online applications, but an outreach campaign involving several community partners did so for the portion of applications within the campaign. The data for this share of applications also reflects

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<sup>85</sup> Danielle Keats Citron, *Technological Due Process*, 85 WASH. L. REV. 1249, 1264 (2008). As the author notes, Florida's Department of Children and Family Services settled the litigation, agreeing to fix the system to allow relative caregivers to apply for benefits on behalf of children as required by federal law. Petition to Determine Invalidity of Proposed Rule 65A-1.400 and ESS Online Benefits Application Form at 6, *Tamara Clark v. Dep't of Children & Family Serv.*, No. 05-2105RP (Fla. Div. Adm. Hrgs. June 10, 2005) (arguing that relative caregivers could not apply for TANF due to the design of the online application in violation of Florida law).

<sup>86</sup> STATE OF WISC. DEP'T OF HEALTH & FAMILY SERV., *supra* note 49, at 31. More recent data is consistent. See ACCESS TO ELIGIBILITY, *supra* note 81, at 13.

<sup>87</sup> ACCESS TO ELIGIBILITY, *supra* note 81, at 31.

lower approval rates for online applications—sixty-eight percent of online applications submitted were approved as compared with eighty-two percent of paper applications.<sup>88</sup>

¶154 Massachusetts' tracking of food stamp applications received through its Virtual Gateway also reflects a lower approval rate for online applications as compared with regular paper food stamp applications. A review of early pilot sites indicated that fewer than forty percent of online applications are approved as compared with about seventy percent of regular paper applications.<sup>89</sup> Over eighty percent of the denials were for failure to complete the application process or failure to provide the requested verification.<sup>90</sup>

¶155 Florida also experienced a lower approval rate for online applications. Florida experienced a twenty percent increase in application volume after starting its online application process—which is now used for over eighty percent of applications—but this did not necessarily translate into increased enrollment.<sup>91</sup> Rather, the rate of denial of applications increased from twenty-five percent prior to the use of online application to thirty-four percent subsequent to the widespread implementation of the online application.<sup>92</sup> One study that looked specifically at food stamp enrollment similarly found an increase in the total number of food stamp applications after the online application was put into use, but also found an increase in the share of applications denied—from twenty-six percent in July 2004 to thirty-nine percent in July 2006.<sup>93</sup> Even more troubling, there was a decline in the *number* of applications approved after implementation of the online application.<sup>94</sup> The study also compared the approval rates of online applications versus paper or intranet applications, finding that fifty-six percent of internet applications are approved as compared to sixty-eight percent each of paper and intranet applications.<sup>95</sup>

¶156 In addition, a new piece of information has emerged under online applications; agencies can identify the total number of applications that are started and not submitted; there is no equivalent measure for comparison in the paper application landscape. The data in Wisconsin indicates that many more applications are started than are submitted; the number of submitted applications represents fewer than two-thirds of the total number of started applications.<sup>96</sup> However, there is no way to know if these families applied for

<sup>88</sup> Data compiled for PHILADELPHIA FOOD STAMP ENROLLMENT CAMPAIGN: POST-GRANT FINDINGS JULY 1, 2004 – DEC. 31, 2005, 3 (2006) (on file with author).

<sup>89</sup> MASS. DEP'T TRANSITIONAL ASSISTANCE, A REVIEW OF THE MASSACHUSETTS VIRTUAL GATEWAY CONSUMER WEB APPLICATION AND OTHER WEB APPLICATIONS ACROSS THE NATION (Mar. 2007) (on file with author).

<sup>90</sup> *Id.*

<sup>91</sup> FLA. OFFICE OF PROGRAM POLICY ANALYSIS AND GOV'T ACCOUNTABILITY, *supra* note 52, at 5.

<sup>92</sup> *Id.* (noting that Florida's online application was part of a series of changes including closure of offices and increased use of call centers).

<sup>93</sup> CODY, NOGALES & MARTIN, *supra* note 84, at xxx.

<sup>94</sup> *Id.*

<sup>95</sup> *Id.* at 99–100. Intranet applications are those that are submitted electronically from within the Customer Service Centers (which have computer terminals available for applicants to use). Both of these approval rates are lower than the seventy-four percent approval rate prior to implementation of the multiple changes under ACCESS.

<sup>96</sup> STATE OF WISC. DEP'T OF HEALTH & FAMILY SERV., *supra* note 49, at 28; *see also* ACCESS TO ELIGIBILITY, *supra* note 81, at 3, 21 (observing that during the four months of June-September 2006, over 13,000 online applications were started and over 8000 were submitted and that supplemental data indicates that from June 2006 through February 2008, over 115,000 online applications were started and over 65,000 were submitted).

benefits through another application—online or by paper—or if they gave up and did not apply, and if so, why.

*A. Reasons Why Online Applications Fare Worse than Paper Applications*

¶157 There are several possible reasons why online applications have lower rates of approval as compared with paper applications. Some relate to the back-end of the application process—the office processing systems not working as well for online applicants. Also, families that begin the application process online may not follow up when faced with the additional burdens of completing the application process—providing verification and participating in an interview. Another factor may be that persons applying through the internet may be less likely to qualify for benefits.<sup>97</sup>

¶158 Advocates and community partners working with online applicants have reported numerous problems with the office processing systems for online applications. States may vary in how online applications are processed; often the case is assigned to a worker who also receives paper applications.<sup>98</sup> Handling additional processing steps—in particular scheduling and conducting interviews which are required for food stamps and obtaining needed documentation—present different challenges when an application is filed online than when an application is submitted in-person.

¶159 Scheduling and completing interviews is an area that has presented problems, particularly for working families. An in-person applicant may hand in the application and come away with a date and time for the interview (and a list of needed documentation to bring to the interview). With an application that has been submitted online, scheduling an interview at a time that is convenient for a working applicant may not be so easy. The applicant may be mailed an interview date (with very short notice) that is not convenient, and while rescheduling is an option, applicants might miss the interview, which can lead to the application being dropped.

¶160 Moreover, requiring an applicant to come to the welfare office for an interview undermines the “out-of-office” access that the online application is supposed to promote. While Federal Food Stamp rules require an interview for approval of an application, an in-person interview can be waived due to hardship and a telephone interview can suffice.<sup>99</sup> Even telephone interviews might be set for an inconvenient time and efforts at rescheduling do not always work smoothly. Advocates for food stamp recipients in Massachusetts report that a problem with the online food stamp application process is many applicants experience “telephone tag” while trying to successfully connect for a phone interview.<sup>100</sup> One suggestion from advocates was to have an “on demand” call center where applicants could call in for their interview at a time convenient for them.<sup>101</sup> Because of the electronic application, any call center worker would be able to pull up the

<sup>97</sup> CODY, NOGALES & MARTIN, *supra* note 84, at 99.

<sup>98</sup> In Pennsylvania, for example, applications filed online are routed to a local office and then assigned to a caseworker in that office. GREATER PHILA. COAL. AGAINST HUNGER, COMPASS TRACKING PROJECT ANALYSIS, SEPT. 10, 2007-OCT. 10, 2007 (on file with author).

<sup>99</sup> 7 C.F.R. § 273.2(e)(2) (2007).

<sup>100</sup> Memorandum from Pat Baker and Laura Gallant, Mass. Law Reform Inst., to Interested Persons, (Sept. 28, 2007) (on file with author).

<sup>101</sup> *Id.*

information and conduct the interview. Utah uses such an approach; applicants call in at their convenience for an application interview.<sup>102</sup>

¶161 Moreover, telephone interviews may not be used as widely for online applications as they could be. The Wisconsin online application allows the user to request a phone interview or an in-person interview and to identify the hardship basis if a telephone interview is requested.<sup>103</sup> While over half of the online applications *requested* a telephone interview, it appears that many of these requests were not granted, as eighty percent of those who requested a phone interview completed an in-person interview.<sup>104</sup> The state noted that it appeared that telephone interview requests were not being granted and it was taking steps to clarify the circumstances under which telephone interviews could be used.<sup>105</sup>

¶162 Difficulty in providing documentation needed to establish eligibility is another reason why online applications may have lower approval rates than paper applications. To be sure, failure to provide documentation is a major reason for denial of all types of applications—paper or online—for needs-based benefit programs. When an applicant hands in an application in person, there may be more flexibility in sending them off with a checklist that identifies which types of needed documentation the applicant can provide. In an online application, there may be a generic list of suggested documentation available on the website, but an individualized list of exactly what a particular applicant must provide, and what alternative documentation could be used instead, may not be developed until the interview (if there is one).

¶163 This is not to say that applicants do not contribute to delays or lack of follow-through on the back-end of the application process. While initiating an application online from “out-of-the-office” can address some of the hassles of applying for benefits, the paperwork burdens identified as a major barrier to access are not lifted. While there is room for improved processes—including using technology and cross-matches to verify information rather than requiring the applicant to provide it—and for greater flexibility accepting alternate documentation or the client’s statement, documentation requirements are not going to be wholly eliminated from needs-based benefit programs. Application assistants, familiar with the range of acceptable documentation, often can help shepherd an “out-of-office” application successfully through the stage of submitting documentation, at times transmitting it digitally on behalf of the applicant.

¶164 One other possible factor in the lower approval rate for online applications may be that a smaller share of these applicants is eligible for benefits as compared with paper applicants. Comparing the reasons for denial—and identifying if a larger share of online applications as compared with paper applications are denied for excess income—would illuminate whether there is any basis for this conjecture. It is possible that the pool of applicants who are willing to submit an online application, but were not willing to apply through the welfare office, includes those with higher earnings, including some families who are above the income guidelines. On the other hand, many online applicants have first used an attached benefit screener, so the opposite could be the case: those applying

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<sup>102</sup> Utah Dep’t of Workforce Servs., *supra* note 25. Utah’s use of the phone-in interview system is not limited to online applications.

<sup>103</sup> STATE OF WISC. DEP’T OF HEALTH & FAMILY SERV., *supra* note 49, at 11.

<sup>104</sup> *Id.* at 31.

<sup>105</sup> *Id.*

online have first screened themselves out if over income and thus those who apply online are more likely to qualify for benefits.<sup>106</sup> There is not sufficient evidence to support or discard this consideration.

#### VI. CONCLUSION: ARE ONLINE APPLICATIONS INCREASING TAKE-UP OF WORK SUPPORTS?

¶65 While the increasing use of online applications and significant numbers of online applicants in some states suggest that an online application is indeed a promising tool for increasing take-up of work supports, there is not yet sufficient data that increased take-up rates are connected to use of online applications. Wisconsin notes that since the June 2006 launch of its online application, it has seen an upward trend in total new applications as well as a modest increase in the number of combined food stamps/Medicaid applications.<sup>107</sup>

¶66 More information is needed here. The technology that enables online application also could enable regular data reports identifying the outcomes and the various reasons for denial. In addition, consumer feedback such as user surveys could also identify barriers in the online application process as well as self-identified benefits; for example, a survey could ask if the applicant would have applied for benefits if online application were not available.

¶67 As the use of online applications will continue to grow, it is important to evaluate and address reasons for the apparently less favorable outcomes. Moreover, as states and non-profits develop online tools, it is key that these tools work for all potential users, not just a particular target audience.

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<sup>106</sup> The data from Philadelphia on the use of Pennsylvania's online application indicates that a higher share of those who applied online appeared *eligible* and a higher share of *eligible* applicants were approved as compared to paper applicants. PHILADELPHIA FOOD STAMP ENROLLMENT CAMPAIGN, *supra* note 88.

<sup>107</sup> STATE OF WISC. DEP'T OF HEALTH & FAMILY SERV., *supra* note 49, at 40. Wisconsin also notes a trend of increased take up of work supports since 2000 and attributes the ACCESS Wisconsin website (which included a benefit screener for some years before the online application function was added) as a factor in the increase. *Id.* at 41.