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March 14, 2002

Mr. Brian J. Wing
Commissioner
New York State Department of Family Assistance
Office of Temporary and Disability Assistance
40 North Pearl Street
Albany, New York 12243

Re: Report 2001-F-55

Dear Mr. Wing:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the New York State Department of Family Assistance, Office of Temporary and Disability Assistance (OTDA) as of February 25, 2002, to implement the recommendations contained in our report: *Department of Family Assistance, Office of Temporary and Disability Assistance: Overseeing Access to Food Stamp Benefits* (Report 99-S-45). The report, issued September 29, 2000, examined whether OTDA effectively monitored districts administration of the Food Stamp program to help ensure needy persons have adequate access to food stamp benefits.

Background

Administered nationally by the U. S. Department of Agriculture (USDA), the Food Stamp Program (Program) issues monthly benefits redeemable at authorized retail food stores. Eligibility and benefit levels are based on household size, income, assets and other factors. Food stamps can continue for families that leave public assistance and enter the workplace to help them make the transition to self-sufficiency. The food stamp eligibility limits enable families earning up to 130 percent of the poverty level (e.g., for a family of three, 130 percent of \$14,631 effective October 1, 2001) to qualify for the program.

OTDA oversees the activities of the State's 58 social services districts (districts), which administer the Program on a local basis. The New York City Human Resources Administration (HRA) administers the Program in the New York City district. OTDA is responsible for ensuring districts' compliance with all pertinent Federal and State laws, regulations and guidance. Federal regulations require that each state conduct Management Evaluations of the administration of the Program at the district level and report the results to the USDA. State regulations require that districts process food stamp applications within 30 days, and screen all applications to identify

persons who may be eligible for expedited benefits (benefits provided within five days). Food stamp benefits are now provided to recipients through the “Electronic Benefit Transfer” system.

During the three-month period that ended December 31, 2001, an average of 66,905 applications for food stamps were processed monthly, of which 18,165 or 27 percent received expedited service. In New York State, the number of food stamp recipients and the amount of food stamp expenditures have declined by 8.9 percent and 6.3 percent, respectively between 1999 and 2000.

Summary Conclusions

Our prior audit found that OTDA had established a mechanism to help ensure that districts provided needy people with adequate access to food stamp benefits. We did note, however, that OTDA did not require districts to maintain records of all individuals seeking public assistance and their ultimate disposition. In particular, applications for public assistance filed in the New York City district and withdrawn the same day, were not being recorded. This practice wiped out any evidence of applications made by those individuals. OTDA’s methodology for conducting evaluations did not identify applications that had not been recorded. Therefore, OTDA did not include a review and evaluation of the level of service provided to all individuals seeking food stamp benefits.

Our follow-up review found that OTDA has strengthened controls over the recording and ultimate disposition of all public assistance applications. Applications withdrawn are now written to a separate file, and are included in the case review population. The redesigned OTDA “Food Stamp Management Evaluation Review Plan FFY 2001” clearly defines criteria to assess district performance in providing program access and service, to both applicants and recipients.

Summary of Status of Prior Recommendations

OTDA officials have implemented the two prior audit recommendations.

Follow-up Observations

Recommendation 1

Require that local districts maintain a record of all individuals seeking public assistance and their ultimate disposition.

Status – Implemented

Agency Action – While applications and denials are stored on an electronic database and are available through inquiry, withdrawals are now written to a separate file. That data is archived and can be used to produce reports through the standard production process. For a sample of four districts, we verified that this data was available for a three-month test period. In addition, as part of its “Food Stamp Management Evaluation Review,” OTDA includes in its review of client referrals for Food Stamps, Public Assistance applications that are withdrawn.

Recommendation 2

As part of the evaluation process, review the level of service provided to all individuals seeking food stamp benefits.

Status – Implemented

Agency Action – OTDA redesigned the “Food Stamp Management Evaluation Review Plan FFY 2001,” which now clearly defines criteria to assess district performance in providing program access, service to applicants and service to recipients. The customer service component of the evaluation aims to ensure the availability of program information by potential recipients; compliance with case processing standards, improvements in customer service to make the food stamp program more accessible, especially to increase participation of underserved populations. We reviewed five randomly selected district evaluation reviews conducted in 2001, and found that OTDA reviewed the services provided to all individuals at the districts, including applications withdrawn. The review identified areas that needed improvements, requested and received district corrective action plans, and followed up on implementations of prior plans.

Major contributors to this report were Richard Sturm, Barry Mordowitz, Emma Wohlberg and Hector Mercedes.

We thank the management and staff of OTDA for the courtesies and cooperation extended to us during this review.

Very truly yours,

William P. Challice
Audit Director

cc: David Dorpfeld
Deirdre Taylor