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DHS Cuts Error Rate in Half

DES MOINES, Iowa – Iowa trimmed its Food Assistance error rate nearly in half last year, with federal officials ranking the state fifth most improved in accurately determining benefits.

Iowa's error rate was 3.36 percent in federal fiscal 2010 compared to 6.49 percent a year earlier. The national error rate for 2010 was 3.81 percent – an all-time low – with Iowa placing 19th overall.

"This success comes despite record numbers of recipients and huge caseloads," said Chuck Palmer, director of the Iowa Department of Human Services, which administers the program formerly known as food stamps.

Palmer said Iowa's success reflects a renewed commitment for program integrity plus the growing use of electronic case files, which enable DHS workers to evaluate applications from any part of the state regardless of the worker's location.

The error rate is the sum of two components, the overpayment rate and underpayment rate. In Iowa, those two rates were 2.72 percent and 0.64 percent respectively.

In cases where benefits were denied or terminated, Iowa's "negative error rate" of 2.47 percent was far lower than the national average 8.43 percent.

Iowa's achievement was acknowledged in a letter to Gov. Terry Branstad from Kevin Concannon, former Iowa DHS director and now Under Secretary for Food, Nutrition, and Consumer Services at the U.S. Department of Agriculture.

"I would like to congratulate you for your achievement in obtaining both a payment error rate and a negative error rate that are below the national average in both categories," Concannon wrote.

Florida was the top-ranked state, with an error rate of 0.78 percent. The lowest-ranking state was Maryland, 7.68 percent. The most improved states were Texas, Indiana, Illinois, Michigan and Iowa.

The number of people receiving Food Assistance has grown dramatically as Iowa struggles to emerge from the recession.

Last September, the final month of the federal fiscal year, there were 352,000 recipients in Iowa. The number grew to 382,000 in May of this year, an all-time high and 11 percent greater than the same month a year earlier. Benefit determinations are made by DHS workers in county-based offices, with caseloads now exceeding 750.

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Editor's note: Iowans with household incomes of less than 160 percent of federal poverty levels are eligible for Food Assistance. That equates to gross annual income of about \$19,000 for a family of two. Average benefits are about \$270/month per household. Food Assistance benefits are 100 percent federal funds.