

# GAO@100 Highlights

Highlights of [GAO-21-183](#), a report to congressional requesters

## Why GAO Did This Study

Various federal programs provide billions of dollars in assistance to low-income beneficiaries whose eligibility is partially based on their income and, in some cases, assets. Administering agencies, including federal, state, and local agencies, typically verify beneficiaries' income and asset information by comparing it against other sources. To improve program administration and integrity, agencies have increasingly used electronic data to conduct this verification. GAO was asked to review such verification among low-income programs.

This report examines the federal requirements for verifying beneficiaries' income and assets for selected programs and reported data sources used, and reported advantages and challenges for administering agencies and beneficiaries when using data verification. GAO selected six federal programs that provide assistance ranging from tax credits to housing, were among the largest in terms of spending, and varied in administrative structure. GAO reviewed relevant federal requirements and confirmed them with the federal agencies, identified data sources reported in state plans, and reviewed research studies. GAO also interviewed federal officials, officials with associations representing state or local program administrators, and researchers.

## What GAO Recommends

GAO recommends that HHS and HUD assess whether sharing additional information about data sources would enhance state and local verification efforts for their respective programs. HHS and HUD agreed with GAO's recommendations.

View [GAO-21-183](#). For more information, contact Kathryn A. Larin at (202) 512-7215 or [larink@gao.gov](mailto:larink@gao.gov).

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## FEDERAL LOW-INCOME PROGRAMS

### Use of Data to Verify Eligibility Varies Among Selected Programs and Opportunities Exist to Promote Additional Use

#### What GAO Found

Three of the six programs GAO selected for review that provide assistance to low-income individuals—Housing Choice Vouchers, Medicaid, and Supplemental Nutrition Assistance Program (SNAP)—have federal requirements for agencies administering these programs to use electronic data sources to verify beneficiaries' income as part of determining their eligibility. Housing Choice Vouchers and SNAP agencies are required to use specific data sources, while Medicaid agencies have flexibility in determining which data sources to use. Although the three other selected programs—Earned Income Tax Credit, Low Income Home Energy Assistance Program (LIHEAP), and Supplemental Security Income—do not have federal requirements expressly requiring the use of electronic data to verify income, agencies for all six programs reported at least some use of electronic data. Overall, GAO identified 34 federal (13), state (14), and commercial (7) data sources that agencies across the six programs reported using to verify income or assets. Use of data sources varied across programs. For example, agencies in all six programs reported using state-level data on unemployment compensation to verify income, while agencies in two and three programs reported using state data on income from child support and newly hired employees, respectively. However, the federal agencies that oversee LIHEAP and Housing Choice Vouchers may be missing opportunities to help state or local administering agencies enhance their data verification.

- Based on GAO's review of state plans, 13 agencies administering LIHEAP reported using no electronic data to verify beneficiaries' income, verifying income in other ways, such as checking beneficiaries' documents. The Department of Health and Human Services (HHS) has encouraged LIHEAP agencies to use electronic data to improve program integrity, but has not taken recent steps to share information that could facilitate its use. HHS officials said that doing so could help state agencies' verification efforts.
- State or local public housing agencies administering Housing Choice Vouchers have the flexibility to use other data sources in addition to federally required ones. However, the Department of Housing and Urban Development (HUD) has not made efforts to better understand or share information on the use of other data sources that could further enhance efficiency or accuracy in verifying beneficiary income. Additional efforts could help housing agencies learn about ways to enhance their current data verification practices, according to a HUD official who oversees the program.

GAO identified advantages and challenges in the use of data verification for both agencies and beneficiaries. For agencies, data verification can help reduce improper payments and improve administrative efficiencies, particularly when data are timely and accurate. However, agency officials GAO interviewed also cited challenges including cost and inconsistent data quality that can create inefficiencies. For beneficiaries, agencies' use of data to verify income or assets can reduce documentation beneficiaries must submit or help them receive benefits more quickly, according to GAO's review of studies. However, beneficiaries may experience benefit delays and increased burden if there are data discrepancies to resolve. Federal agencies have made some efforts to address challenges, such as identifying ways to reduce data service costs.