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Critical Response
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Social Services

This critical response paper covers three policy briefs from the Brookings Institution that address issues stemming from 1996 federal welfare reforms which transformed Aid to Families with Dependent Children (AFDC) to the Temporary Assistance to Needy Families (TANF) block grant. TANF was a major shift in welfare policy aimed at reducing cash handouts and increasing state flexibility through block grant, with states able to design their own welfare reform strategies. TANF also introduced new mandates, including requirements that each state put half of its welfare recipients to work or into work related activities.

MAIN POINTS

Nivola, Noyes & Sawhill, "Waive of the Future?"

Nivola, Noyes & Sawhill's policy brief looks at the issue of how much authority and discretion state governments should have in managing and implementing federally funded welfare-work programs. Their brief focuses on the Superwaiver concept, by which legislation would give federal agencies to merge a state's petition for relief from various federal regulations including TANF, food stamps, child care, employment, and public housing. Under a superwaiver, the various waiver requests would be streamlined, and accepted, modified, or rejected under one application. Savings should be realized with decreased administrative overhead, and less bureaucratic paperwork and red tape. Additionally, superwaivers would reduce or eliminate many constraints on traditional

state waiver requests, by allowing the states to assess their own programs, not outsider agencies looking at each project piecemeal.

Superwaivers are a controversial topic of legislation, however. There is a fear that superwaiver implementation could invite more closed-door dealing between governors and agency heads without any provision for public consent and that it shows a shift of control from Congress to the executive branch. There is also the point that they might be technically unnecessary. States can currently unify eligibility criteria for Medicaid, TANF, and food stamps, however, in practice, this has proven to be burdensome in implementation. Critics also worry that states may use their added flexibility to remove or strip programs with weak political constituencies. Superwaivers could give states more wiggle room to move funds around program to program. This results in the fear that they could pave the way for future wholesale block granting of social programs, followed by sharp reductions in federal funding, as block grants tend to be more prone to budget cuts.

Nivola, Noyes & Sawhill make five main recommendations towards making superwaivers more rewarding and effective: 1) Easing in program rules in a few states for further study and experimentation. 2) States must benefit from trust by the federal government – there should be practical limits to prohibitions and oversight. 3) Do not limit programs with tight budget constraints. 4) Enforceable “maintenance of effort” requirements are necessary – make states maintain their own funding on relevant programs so there is less tricky moving around of money. 5) Third parties should evaluate policy outcomes in various state case studies and comparisons to understand best practices and liabilities.

Gails and Weaver, “State Policy Choices Under Welfare Reform”

Gails and Weaver focus on policy choices that states have made born out of the 1996 federal welfare reform laws. While TANF clearly implemented conservative policies on work requirements, teen mother demands, and child support enforcement, to name a few, the law created a block grant giving states greater flexibility to design their own welfare reform strategies. This part of TANF relies of state innovation and experimentation for the program to be at its most effective.

Their analysis shows the broad that most states accepted the employment and temporary relief goals of the TANF and many have strengthened the federal requirements. Only a few states have eliminated the federal law of 60 months, and most have enacted more restrictive time periods. Many states require that recipients must "work first" before receiving assistance, well beyond the federally imposed 2 year deadline. Other states have imposed family "caps", where children born while a family receives welfare do not count towards cash benefits. State policies often increase access to welfare support and services beyond pre-1996 qualifiers. Most states increased their limits on family assets and vehicle values for folks to still remain eligible for assistance. However, the authors also find that total TANF benefits for folks with no other income (non-workers) definitely decreased.

Gails and Weaver cite four main factors that explain why states differ in their policy choices. 1) Ideological factors correlate to policies restricting cash assistance. Conservative states are more likely to impose shorter time limits, higher sanctions, and immediate work requirements. 2) Policies restricting cash assistance are more common in states with a higher Black population. 3) State resources under TANF increased

relative to the state's policy choices regarding income supplements through income disregards and earned income tax credits. 4) Policy decisions among states could not be statistically linked to the relative severity of social problems in the states (out-of-wedlock births, unemployment).

Waller, "Block Grants: Flexibility vs. Stability"

Waller asks the question, "Is the flexibility to states and local governments provided by TANF worth the decrease in stability in social services and increase challenges in accountability for spending and outcomes?" Her policy brief reviews the history of federal block grants for social services, literature on block grant outcomes, and recent federal proposals.

Beginning with the Social Services Block Grant (SSBG), which was once an unrestrained entitlement to states for social services, Waller shows the decline in grant funding through Nixon's changes to Reagan's block grant consolidation, which funneled 57 programs into 9 grants. The Reagan block grants also shifted to clear cut in spending, trading flexibility for savings.

Waller also describes recent federal block grants proposals, including: Head Start (early childhood education), Child Welfare, Food Stamps, Assisted Housing (Section 8 vouchers), Job Training (Workforce Investment Act), and the Superwaiver. He also looks at the coming welfare argument. The current administration has proposed level funding for TANF block grant and child care. Total funding proposals, however, have not adjusted for inflation, and TANF funding is down 19%.

COMMON THEMES

The 1996 federal welfare reform efforts had a huge impact on the way states handled welfare distribution. While giving states more flexibility by converting AFDC into the TANF block grant, the program emphasized work requirements to get recipients back working before they received funds.

While Waller's piece looks at the broader issue of block grants rather focusing exclusively on TANF as the other Brookings reading did, and Nivola focused on the Superwaiver which states can use to adjust their TANF programs, all three articles cite examples by which the states often exceeded Federal demands and requirements with TANF, which was striking to me. Normally, we think of any change in requirement as an unwanted mandate, to be met with resistance. Though some states rejected particular provisions of TANF, for the most part it was accepted by the states.

All three articles also emphasized the benefits of increased flexibility in the TANF/block grant/waiver process. By granting the states more flexibility to implement their own programs, states have the ability to even increase access to TANF programs (maybe not the goal of the original bill writers). Additionally, TANF and other block grant programs can become more effective or less effective with concurrent state policy.

The articles also mentioned that levels of funding for these programs is still a hot topic. Nivola recommended funding for effective pilot Superwaiver program study, Gails and Weaver note the economic prosperity of a state relative to per capita tax income impacts how the states were funded through a formula and questions if that is the best distribution, and Waller points out the decrease in total funding for welfare as programs were consolidated into a block grant.