



BRIEF ANALYSIS

No. 395

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Four Welfare Reforms

by Jonathan R. Hobbs

Unprecedented numbers of individuals have moved from welfare to employment since enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), making it the most successful welfare reform ever. PRWORA eliminated the “entitlement” to welfare, largely devolved responsibility for program design and implementation to the states and promoted self-sufficiency through employment. As a result, welfare caseloads in the United States have dropped by nearly 50 percent since 1996.

However, some states have made relatively little progress in reducing caseloads, despite the availability of increased resources per recipient. [See the Figure.] Much of the variation in states’ success appears to be due to program design rather than economic conditions. Some states have diluted the 1996 reforms by: (1) focusing on remedying perceived barriers to employment rather than job readiness and placement, (2) increasing the number of people exempted from work activity, (3) expanding the definition of “work activities” and (4) weakening or ignoring the sanctions that would penalize noncompliance with work requirements.

The key component of PRWORA — Temporary Assistance to Needy Families (TANF) — must be reauthorized this year. To build on PRWORA’s success, we recommend the following:

1. Make reduction in the welfare rolls the primary goal of TANF, and require states that fail to achieve the goal to adopt specific work requirements.

TANF currently uses participation in “work-related activities” to measure performance. However, some

states count the time recipients spend on non-work activities, such as personal development and family counseling. Making caseload reduction the primary performance goal would recognize that the best measure of TANF success is the number of families who no longer require it.

Specifically, the goal should be to reduce the TANF caseload by 70 percent from its 1994 level. This goal could be phased in over four years, starting with a 55 percent reduction by the end of 2003.

States that fail to meet caseload reduction goals should

be required to implement or strengthen their work-first programs. At a minimum, these states should:

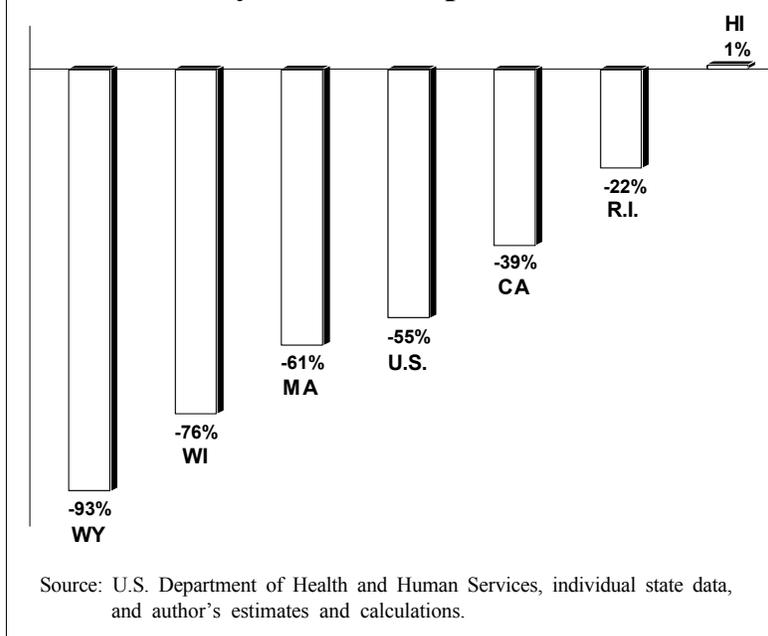
- Require true job search as a condition of TANF eligibility;
- Require full-time work of at least 50 percent of all adult recipients;
- Engage the rest in specifically-designed work activities;
- Apply a full family sanction (suspending cash assistance to the household) if an adult recipient fails to comply with work requirements (we recommend immediate cure upon compliance for this sanction); and
- Apply a pro rata reduction in the benefit

for absence from work without good cause.

There is currently a debate about welfare reform program waivers previously granted to states. Some argue that these waivers should be eliminated or not renewed when they expire. Others argue that the waivers provide states the flexibility they need to operate their programs.

We recommend tying waivers to the caseload reduction goals. States that are meeting the caseload reduction goals should be allowed to retain and even expand their waivers. Conversely, states not meeting the caseload reduction goals should have their waivers suspended until the caseload goals are reached.

**Range of Reductions in Family Caseloads,
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2. Make children the primary focus, and ensure that both parents participate in meeting their children's financial needs.

States are currently permitted to use TANF funds for employment assistance to noncustodial parents, most of whom are fathers not living with their children. However, few states have exercised this option, and we believe this is a mistake. TANF reauthorization should require states to provide work-related services to absent fathers because helping an absent father get a job makes getting child support for the mother more likely.

We recommend incorporating this recommendation into TANF by requiring that the children of each family be designated the center or "casehead" of each TANF case. Both father and mother would participate together in discussions with their caseworker focusing on self-sufficiency strategies and goals for caring for the children. The progress of both parents toward reaching their TANF goals of employment/self-sufficiency would be monitored, and both would be expected to contribute financially to support the kids. Focusing on the child requires both parents to acknowledge their parenting responsibilities and to work together in the interests of the child.

3. Create a pilot program that enforces the responsibility of unwed fathers for their children by entering a court order establishing paternity and child support at the time of birth.

In every state, when a husband and wife divorce, domestic relations laws empower the judiciary to determine the custodial parent and child support. If it is a valid governmental interest and duty to protect children in a divorce, it is certainly a proper government function to protect all children and therefore immediately determine paternity and support orders for children born out of wedlock.

We recommend TANF reauthorization include language authorizing states to implement and administer a pilot program in which a court order would be recorded establishing paternity and child support at the birth of a child born out of wedlock. This order would be rescinded if the parents marry.

Most states enforce the 1996 Personal Responsibility Act, which requires mothers to identify the father at the time of a child's birth. However, a mother's ability to

collect child support lags woefully behind, leaving the child's needs unmet. Thus an immediate order establishing paternity and child support at birth is imperative. With court-ordered child support, an able-bodied father who refuses available work can be held in contempt and fined or jailed.

At the original finding of paternity, an unemployed father should be referred to an agency providing subsidized jobs, if necessary, and fully informed of the consequences of failing to provide support. If subsidized work is always available, no father has an excuse for failing to pay minimal child support. States can use their TANF money to provide such subsidized jobs.

4. Convert the portion of the Food Stamp program that funds benefits to TANF recipients, the working poor, and the able-bodied into block grants to the states.

In many ways, the Food Stamp program is a close cousin of TANF, but it often acts as a deterrent to self-sufficiency. It is time to reform the Food Stamp program based on the tenets that have made TANF so successful. We recommend converting that portion of the Food Stamp program that provides benefits to TANF recipients, the working poor and able-bodied individuals into a block grant for distribution to the states. As with the TANF block grant, states should have flexibility in administering benefits. States also should be encouraged to combine Food Stamp and TANF funds and administration to streamline their service to recipients.

Under this Food Stamp block grant, we recommend setting caseload reduction requirements similar to our proposed TANF performance goals—beginning at a 20 percent caseload reduction in the first year, and increasing by 10 percent per year until it reaches the 70 percent caseload reduction target for TANF. States that fail to meet their annual target will be required to include work requirements similar to our TANF requirements for states failing to meet caseload reduction goals.

Empowering states to manage this portion of Food Stamp program dollars would be a strong incentive for them to manage the program funds more efficiently and effectively.

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