Devolution and Welfare Reform: Re-evaluating "Success"

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The passage of welfare reform shifted significant authority for welfare provision from the federal government to state and local governments. Proponents of devolution point to drastic caseload declines as evidence that state-run programs are decreasing dependency among families. However, welfare rolls in many states have remained stagnant or decreased since the start of the recession in late 2007. The uneven responsiveness of the welfare system to growing economic needs prompts the question of whether the safety net is functioning as intended. This article evaluates the literature on the state and local implementation of welfare to assess whether devolution has yielded the positive outcomes promised by proponents. Findings suggest that, under welfare reform, state and local governments are enacting diverse programs and do not appear to be limiting welfare provision in new ways to avoid becoming "welfare magnets." However, the type of program they adopt is systematically related to the racial and ethnic composition of the caseloads and the local political climate, leading to a fragmentary system in which some states and localities are more responsive than others. Social workers can help poor families in critical need of assistance by voicing these concerns at the local, state, and national levels.

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Passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) (P.L. 104-193) fundamentally changed the structure of the public assistance program providing income support to poor families in the United States. PRWORA, commonly called "welfare reform," is an example of *devolution*, or the process through which upper levels of government transfer powers or functions to lower levels of government (Kincaid, 1998). Specifically, PRWORA devolved responsibility for the design and implementation of cash aid programs from the federal to state governments under the premise that the states needed flexibility to create innovative programs that would end welfare dependency among recipients. Following PRWORA's passage, policymakers, pundits, and some scholars pointed to significant declines in welfare caseloads as proof that state-run programs are more effective than the federal program they replaced. However, this assertion has been called into question on the basis of data from the recent U.S. economic recession (that is, the Great Recession, which began in 2007). Notably, from 2007 to 2009, the number of U.S. children living in poverty increased by almost 12 percent (my calculations on the basis of data from http://www.census.gov/cgi-bin/saipe/national.cgi?year=2007&ascii=#SA31), whereas the number of families receiving cash assistance increased by only 5.8 percent (my calculations on the basis of data from http://www.acf.hhs.gov/programs/ofa/data-reports/). In addition, caseloads across states were not equally responsive to this sudden increased need. Despite increased child poverty, 13 states reported less than 10 percent growth in welfare caseloads, and 20 states reported reduced caseloads during this same period. Although many state caseloads started to grow in 2009, continued caseload reductions were reported by 11 states from 2009 to 2010. This unequal responsiveness to acute economic declines among devolved welfare programs has renewed discussion about whether welfare needs to be restructured.

This article investigates whether state and local governments are administering welfare in ways that reduce dependency while providing adequate benefits for poor families—in other words, if they are fulfilling the intention of PRWORA. To that end, this article presents an evaluation of research conducted after passage of PRWORA. In general, this body of research assessed the ways states are exercising their new discretionary powers over

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public assistance programs. Two questions of interest are (1) whether devolution prompted states to use the program flexibility granted in PRWORA to create effective, innovative programs that could be diffused to other localities and (2) whether states are using their powers to enact the most restrictive programs that will reduce caseloads and avoid attracting welfare recipients from other areas. In addition, this article examines whether devolution is likely to contribute to the return of discriminatory practices in welfare programs that were common before the 1960s. On the basis of this review of the literature, recommendations are presented for new welfare reform so that these public programs will truly function as a safety net for poor families in need of assistance.

It is imperative for social workers to understand the limitations of the current welfare program for several reasons. First, as emphasized by NASW (2003), promoting economic security is consonant with the fundamental social work value of ensuring that the basic needs of poor families are met. Second, because social workers engage with poor families in various settings (for example, homeless shelters, mental health clinics, domestic violence agencies), these professionals are in key positions to advocate for poor people. As advocates, social workers can influence legislation by informing legislators about the specific barriers and hardships that poor people face within the legislators' jurisdictions, especially the hardships created by insufficient access to cash assistance. Last, social workers are well equipped to appreciate the ways a community's political climate shapes services for poor families. Indeed, social workers' training to consider the person-in-environment helps them understand that improving the lives of poor families takes more than addressing individual barriers to employment. Instead, policies and systems can enormously influence the ability of families to obtain the benefits they need. The combination of the profession's ethics promoting social justice and economic security and social workers' depth of knowledge regarding the realities and barriers faced by poor families yields a unique perspective that should make social workers key advocates for welfare programs.

POLICY CONTEXT

As part of PRWORA, the cash assistance program known as Aid to Families with Dependent Children (AFDC) was replaced with Temporary Assistance for Needy Families (TANF). AFDC was a federal entitlement program that provided federal funds to match states' expenditures on welfare programs. In contrast, TANF is a block grant that caps the dollar amount of federal funds to states, regardless of increases in case size. Furthermore, to qualify for TANF funds, state welfare programs must comply with three federal requirements. First, state programs must emphasize aid recipients' return to the work force (that is, work requirements). Second, state programs must include a mechanism, known as *sanctions*, for reducing or terminating aid to recipients who fail to comply with the work requirements. Third, state programs must impose a five-year lifetime cap on receipt of benefits. Within these requirements, TANF gives states broad discretion to determine policies at every stage of their programs (Fellowes & Rowe, 2004). As described by Gais and Weaver (2002),

> states can impose stricter work requirements or shorter time limits. They can change many other eligibility requirements for cash assistance, including asset and earnings disregards. They determine the services to be offered to low-income families and define who is eligible for those services. And they have wide discretion over which providers—public or private, secular or religious—carry out these programs. (pp. 1–2)

Overall, states have the ability to adopt both "carrots"—policies that reward work by increasing access to some benefits and work supports—and "sticks"—policies that punish recipients who do not comply with program requirements (Gais & Weaver, 2002). Given this flexibility, substantial variation exists among state programs. Moreover, 20 states introduced additional variation by transferring some of their TANF authority to local governments (Gainsborough, 2003). Consequently, a discussion of U.S. welfare can no longer refer to a single program, but, rather, must encompass the range of diverse programs enacted by state and local governments.

During the debate about welfare reform, intense discussion centered on whether states should take control of welfare services. Proponents of devolution asserted that under federal control, welfare offices had adopted a culture of "eligibility and compliance" that emphasized meeting federal eligibility standards to the detriment of social services provision (Mettler, 2000). These proponents argued that, if given control over welfare services, state governments could create innovative programs tailored to the specific needs of welfare recipients in their states. Proponents further claimed that once the innovative programs were shown to be effective, the programs would be adopted by other states and localities.

Whereas proponents of devolution based their assertions on the idea of efficiency, opponents focused on issues of equality (Kelleher & Yackee, 2004). Opponents primarily relied on two arguments. First, they argued that a primary influence of a state's welfare provision was the behavior of neighboring states, with most states showing a reluctance to offer more generous programs than those around them lest they become "welfare magnets," attracting an influx of poor families (Peterson, 1995; Peterson & Rom, 1990). Therefore, they asserted that devolution would lead to inadequate levels of services for poor families because states would follow this trend toward ever more conservative provision of services. Building on these arguments, opponents of devolution asserted that granting states authority over welfare provision would lead to punitive welfare programs that not only offered the lowest possible level of benefits, but also had stringent eligibility criteria and restrictive work requirements, regardless of the jurisdiction's economic need. Thus, devolution would simply lead to a "race to the bottom" in welfare services as states and counties continually adjusted their programs to be more stringent and less generous than those in neighboring areas. Moreover, opponents noted that state policymakers were more likely than their federal counterparts to feel pressure to decrease welfare benefits during tough economic times, given that states must maintain balanced budgets, unlike the federal government (Peterson & Rom, 1989).

Opponents of devolution also contended that allowing state lawmakers to reflect voter preferences in their welfare policies might lead to discriminatory welfare policies. Historically, state and local governments engaged in discriminatory practices that limited access to welfare programs to preferred racial groups or recipients deemed morally deserving of aid. Some of the first welfare programs date to the early 1900s, when states implemented "mothers' pensions programs" that provided cash assistance to mothers in single-parent families so they could remain at home to care for their children instead of entering the labor force. Although these programs could have benefited all female-headed households, states primarily provided help to "deserving" widows and excluded abandoned, divorced, or never-married women from receiving aid. Even the so-called deserving recipients were compelled to meet "suitable home" standards that required the women to demonstrate "housekeeping and childrearing methods deemed acceptable to white, Anglo-Saxon standards" (Mettler, 2000, p. 9). Discriminatory practices in Southern programs resulted in rules that prevented African American mothers from accessing welfare, including the "employable mother" rule, which denied assistance to mothers who were physically able to work in the fields regardless of their child care responsibilities (Bell, 1965). With passage of the Social Security Act of 1935 (P.L. 74-271) (SSA), the federal government took increasing control of the various welfare programs. The SSA replaced the state-run mothers' pension programs with the federal Aid to Dependent Children program. In response to the SSA, most states established programs providing cash aid to poor families. However, many of the discriminatory practices remained entrenched in the welfare system until the 1960s, when the courts overturned many state eligibility restrictions used to prevent people who were not white from receiving welfare benefits (Hasenfeld, 2000). Although states controlled benefit levels and set some eligibility requirements, federal oversight reduced discriminatory practices in state programs (Mettler, 2000). Given this history, opponents of devolution insisted that returning welfare authority to state control would inevitably lead to the welfare programs whose structures were determined by states' considerations of local politics and the racial and ethnic compositions of caseloads rather than by the needs of poor families.

To address the concerns of devolution's opponents, and to limit the ability of state and local governments to race to the bottom, PRWORA constrained the ability of states and localities to use their new discretion to drastically cut welfare services in three ways. First, PRWORA included a *maintenance of effort* provision that required states to maintain at least 80 percent of their 1994 AFDC spending levels. Second, federal lawmakers structured performance requirements so that states would not be rewarded for caseload declines caused by changes in eligibility requirements. Third, policymakers created a TANF Contingency Fund to provide additional federal funding to states during recessions, to deter states from restricting access to welfare programs during economic downturns. Recently, under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), federal lawmakers created an Emergency Fund to provide states with additional federal funding for increased spending for assistance, short-term benefits, or subsidized employment. Despite these efforts, advocates for poor families remained concerned that state and local lawmakers would find ways to limit access to welfare, such as changing formal program requirements (Schram, 1998) or instituting informal bureaucratic barriers to aid (Brodkin & Majmundar, 2010). During the Great Recession, both the TANF Emergency and Contingency Funds were depleted of funds as states faced historic budget shortfalls, heightening concern that states might address fiscal shortfalls by restricting access to welfare programs (Schott & Pavetti, 2010).

Has Devolution Worked as Intended?

Creation of Innovative Programs. Although PRWORA significantly increased states' abilities to create and administer innovative programs, the extent of this innovation has been affected by three factors. First, the federal government implemented a waiver system in the 1980s that allowed states to modify some specified aspects of their welfare programs. By the time PRWORA was enacted, 42 states had made applications to modify multiple aspects of their programs, and 452 waivers had been granted (Murray, 2001). Indeed, many key provisions of welfare reform emerged from the waiver program, including instituting work requirements, requiring sanctions for noncompliance, and setting lifetime benefit caps (Zylan & Soule, 2000). Thus, many innovations that might have resulted from devolution had already occurred through waivers. Second, the extent of innovation was also hampered by the various provisions put in place by the federal government that limited states' program flexibility. These provisions included requirements for minimum-spending amounts on TANF-related activities, a ban on use of federal funds for benefits paid to undocumented immigrants or anyone meeting the cumulative five-year benefit cap, required compliance with federal rules for establishing paternity and enforcing child-support laws for children receiving welfare, and spending limits for program administration (Kincaid, 1998). Third, the extent of welfare program innovation at the state level is also hampered by the substantial organizational restructuring that is required to implement new programs and approaches to welfare. For example, PRWORA created new, expanded roles for state welfare offices through its emphasis on ending welfare dependency by encouraging recipients to work; however, state welfare offices had to fill those new roles while maintaining ongoing responsibility for processing welfare applications and monitoring compliance, but without added resources. Experts have expressed apprehension that this combination of expectations will lead to work support simply becoming an "add-on" to welfare workers' existing tasks (Brodkin, 2006; Hasenfeld, 2000).

Despite these restrictions, states still have considerable power to create new and innovative practices. Researchers have used two broad approaches to examine variation in state welfare programs: One approach documents welfare services in multiple states to determine what, if any, changes have been implemented over time (see, for example, Gais, Nathan, Lurie, & Kaplan, 2001), and the second approach creates indices of state policies to examine variation among state programs (see, for example, De Jong, Graefe, Irving, & St. Pierre, 2006; Mettler, 2000). These approaches to welfare research have yielded similar conclusions—there is substantial variation among state welfare programs as well as commonalities. In one example documenting variation, Gais et al. (2001) found that states adopted a range of philosophies to explain welfare receipt, such as recipients' lack of motivation to find or keep a job, lack of job-related skills that made recipients less competitive in the labor market, or a combination of these. In addition, states differed by whether they adopted work participation or caseload reduction as the primary goal of their welfare system. These philosophies and primary goals are important factors in determining the overall program strategies that states use, shape the nature of their welfare program, and determine the treatment that families receive within that system (Gais et al., 2001). For example, in states that emphasize work participation, welfare programs included provisions to "make work pay," including *earnings disregards* that allow families to have more earnings from work and keep welfare benefits, sliding-scale child care programs, and wage-subsidy programs. In contrast, in states that follow a philosophy stressing caseload reduction, welfare programs were structured to restrict access to welfare and to make welfare the least attractive option.

This variation in program philosophy has been confirmed in other studies. Mettler (2000) found that most states adopted application requirements and procedural rules that were more stringent than what was required by federal law. However, 23 states adopted policies allowing broader eligibility for welfare than the federal requirements, including using state funds to provide benefits to legal noncitizens and to drug felons and to exempt domestic violence victims from paternity requirements for dependent children. In addition, Mettler found that 12 states adopted both more generous eligibility rules and less stringent behavioral requirements than required by federal law. Nonetheless, all of the rules adopted by states thus far—even those that are more generous than federal law requires—are more stringent than the rules that were in effect before passage of PRWORA. Gais and Weaver (2002) have noted that states and localities have adopted mixtures of rewards and sanctions to reward positive behavior and discourage poor behavior among recipients and that these rewards and sanctions vary dramatically across states and localities.

Researchers have document variation and commonalities among state welfare programs. For example, many states used their new discretion to create programs that are more stringent than required by federal law, especially with regard to behavioral requirements for recipients receiving aid. For example, 20 states adopted shorter time limits than the five-year lifetime cap allowed under federal law, 23 states enacted family cap policies that deny aid for children born to mothers on welfare, and 17 states adopted full-family sanction policies by which the entire household loses cash aid if the mother does not comply with program requirements (Gais & Weaver, 2002). Among states with the most severe policies, not only can sanctions be imposed for up to three months, they can also include reductions in other benefits such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP), formerly Food Stamps.

Although states have become more stringent in their behavioral requirements, there is some evidence that they have also used their discretion to create more generous programs for recipients who combine welfare with work activities. This includes enacting Earned Income Tax Credit programs paid for by states, allowing families with higher earnings to stay on welfare longer, and shifting funding from cash benefits into supportive services such as child care and transportation. In 1996, 76 percent of state welfare spending was focused on providing cash aid to recipients. By 2000, states were only spending 41 percent of their welfare budgets on cash aid (Weil, 2002). Although supporting working recipients is an important goal of welfare reform, this emphasis ignores the needs of recipients who cannot work due to personal employment barriers or lack of work opportunities. Thus, this shift of resources may hurt the most vulnerable families in need of aid if there is not enough money left to provide mental health, substance abuse, or education and training programs.

Researchers also found that states have generally taken the new "work first" approach of the federal legislation to heart. Gais et al. (2001) documented that states sought to change the culture of welfare offices by hanging signs in offices that promoted the value of work, changing the titles of workers, and ensuring that application processes made it clear that receipt of aid was contingent on fulfilling work requirements. However, Gais et al. also found that state efforts to promote work were commonly hindered by caseworkers whose work efforts remained focused on determining program eligibility and monitoring compliance. This finding is important, because proponents of devolution claimed that state flexibility in creating programs would move caseworkers from the "eligibility and compliance" culture to devoting time to working with recipients on enhancing job skills and overcoming barriers to employment. However, Gais et al. (2001) did not find evidence that increased flexibility has led to the needed culture change. Instead, welfare departments have become hybrid organizations that have developed "a complex set of procedures, requirements, and organizational arrangements" that seek to meet both sets of goals (Gais et al., 2001, p. 62).

Overall, these studies have shown that states have exercised their new discretion to create policies and programs that have unique combinations of rules and requirements for welfare recipients in their states and within the constraints imposed by federal legislation. This substantial variation in programs means that the welfare program experienced by recipients is intricately linked to the state and locality in which they reside. What is not known is whether these innovations and variations have been sustained. The studies discussed were conducted during the early years of welfare reform. Future research should revisit these questions to assess whether state policies continued to vary to the same extent as states gained experience with managing their programs.

Diffusion of Innovative Programs. In contrast to evidence on program innovation, the evidence on the diffusion of innovative programs is less clear. Federal lawmakers anticipated that state policies that proved to be the most effective would be adopted as "best practices" for use in all states and local governments. In this scenario, over time, state policy choices would become similar on the basis of program effectiveness; however, few researchers have evaluated this claim. One exception is a study conducted by Meyers, Gornick, and Peck (2002) that assessed whether states' policy choices showed convergence from 1994 through 1999. In contrast to the hypothesized convergence, Meyers et al. found that policy variation increased during this period. More research is needed to assess whether specific policies are more likely to be adopted by a majority of states over time and whether states with relatively generous benefits will feel pressure to conform with the more conservative standards of other states.

Have State and Local Governments Engaged in a Race to the Bottom?

In a series of books and articles, Peterson and Rom opposed devolution on the basis of the concern that state and local governments would use their new discretion to engage in a race to the bottom in welfare services (Peterson, 1995; Peterson & Rom, 1990). Research testing Peterson and Rom's assertions before the passage of welfare reform consistently showed that the amount of cash aid offered by surrounding states is a primary determinant of a state's welfare benefit levels, although the effect size varied from study to study (Berry, Fording, & Hanson, 2003; Brueckner, 2000; Figlio, Kolpin, & Reid, 1999; Ribar & Wilhelm, 1996; Rom, Peterson, & Scheve, 1998; Saavedra, 2000). However, under welfare reform, states may race to the bottom through other means than reducing benefit levels. They may also design their welfare programs to have more stringent eligibility criteria and work requirements than those of surrounding states.

Studies examining welfare benefit levels since passage of welfare reform suggest that state lawmakers still pay attention to the benefit levels of programs in surrounding states when deciding the amount of money they will give to poor families (Albert & Catlin, 2002; Fellowes & Rowe, 2004; Hero & Preuhs, 2007). For example, Fellowes and Rowe found that states whose neighbors had benefit levels one standard deviation below the average benefit level provided welfare recipients with 32 percent less cash assistance than states whose neighbors had benefit levels one standard deviation above the average. This difference in benefit levels remained after controlling for state differences in demographics, political culture, and economic resources.

There is no evidence, however, that states have tailored the stringency of their policies in the same manner. For example, Hero and Preuhs (2007) did not find that state decisions to enact policies to restrict immigrants' ability to access welfare were influenced by whether neighboring states decided to do so. De Jong et al. (2006) examined the diffusion of welfare policies across states from 1996 to 2003 and documented that states were more likely to adopt stringent behavioral requirements if neighboring states had done so. However, the influence of neighboring states did not hold for policies related to eligibility exemptions and requirements.

Overall, these studies cast doubt on the concern that devolution will create a race to the bottom. Just as before the passage of welfare reform, the amount of cash assistance that states offer to poor families is influenced by the benefit levels of surrounding states. However, it does not appear that states are consistently enacting policies and practices that are more stringent than those of neighboring states. As with the studies examining the diffusion of policies, it is important to note that these studies were conducted during strong economic times, when states had resource surpluses and plummeting caseloads. Under those circumstances, states may have felt little pressure to limit welfare provisions to be in line with the policies of neighboring states. The uneven responsiveness of state caseloads during the most recent recession suggests that states may be seeking to limit access to services. In addition, the literature on policy innovation and diffusion suggests that it takes time for policies to converge (Meyers et al., 2002). A study that examined the pre-1996 waiver program allowing states to modify their welfare programs found that states were more likely to submit a waiver limiting access to welfare if neighboring states had requested a similar waiver (Zylan & Soule, 2000). The authors needed data spanning from 1989 to 1995 to document this effect. Further research is needed to determine whether states will compete to limit welfare services over time and during economic downturns.

Have State and Local Governments Returned to Discriminatory Welfare Practices?

Opponents of devolution argued that federal control of the welfare system was needed to ensure that state and local programs would not return to discriminatory practices that limited welfare access for nonwhite and other recipients deemed "undeserving" of aid. Furthermore, opponents claimed that this federal oversight was needed to ensure that poor families do not become subject to the "vagaries of political geography" (Mettler, 2000) and that some form of welfare support would be available regardless of the political climate of the state in which families live.

A long history of scholarship has documented racial and ethnic inequities in the welfare system (Bell, 1965; Katz, 1996; Quadagno, 1994; Schram, Soss, Fording, & Hauser, 2009). For example, research on the AFDC program has shown that states with a greater percentage of African American welfare recipients provided less money to all families on their welfare rolls than did states with lower percentages of African American welfare recipients (Bailey & Rom, 2004; Ribar & Wilhelm, 1996; Soss, Schram, Vartanian, & O'Brien, 2001). Recent research has tested whether a relationship exists between the policies enacted by state and local governments and the percentage of African Americans on their welfare caseloads. These studies examined state welfare policies and county sanctioning patterns. The results raise serious concerns about the fairness of the welfare system under devolution. Under the flexibility of welfare reform, states with greater proportions of African Americans on their caseloads have enacted policies that are more stringent (including more severe sanctions, shorter time limits, and family cap policies) than the policies of states with lower proportions of African Americans on their caseloads (Gais & Weaver, 2002; Soss et al., 2001). These findings are supported by research on sanctioning trends at the local level. Keiser, Mueser, and Choi (2004) showed that, in one midwestern state, the chance of a white recipient facing a sanction was 23 percent less than the chance of an African American recipient facing a sanction, even after controlling for other individual characteristics.

Political climate is also intricately linked to state benefit levels and policies as well as county practices. Researchers have defined political climate partially on the basis of the political party affiliations of lawmakers and voters (see Berry, Ringquist, Fording, & Hanson, 1998, for a detailed description of the measure that was used by most of the state-level studies in this review). Areas characterized as "more liberal" tend to have a greater percentage of officials and voters who affiliate with the Democratic party, whereas areas characterized as "more conservative" tend to have greater percentages of officials and voters who affiliate with the Republican party. Studies have documented that states with more liberal voters have higher benefit levels (Fellowes & Rowe, 2004) and tend to enact policies that are more lenient (Fellowes & Rowe, 2004; Gais & Weaver, 2002; Hero & Preuhs, 2007; Soss et al., 2001). Similarly, counties with more liberal voters have lower rates of sanctioning welfare recipients than counties with more conservative voters (Fording, Soss, & Schram, 2007; Keiser et al., 2004). However, political climate does not equally influence all state policies. The most consistent relationship appears to exist between political climate and the strength of sanctions. Specifically, conservative states are more likely than liberal states to pass sanction policies that take away a greater portion of a recipient's cash assistance, and for longer periods (Fellowes & Rowe, 2004; Gais & Weaver, 2002; Soss et al., 2001). This relationship has also been found at the county level. A study conducted by Fording et al. (2007) found that a recipient living in Florida's most conservative county faces a 67 percent higher risk of sanction than a recipient living in the state's most liberal county, regardless of the recipients' characteristics and differences in county economic conditions. In addition, some research evidence has revealed a clear relationship between a conservative political climate and stringent work requirements (Fellowes & Rowe, 2004; Gais & Weaver, 2002); however, that relationship is not supported by other research (Soss et al., 2001).

The overall implication of these studies is that recipients living in politically conservative areas are likely to face vastly different welfare systems than are recipients in other areas, regardless of individual characteristics. It is important to note that the political climate of an area can interact with the racial and ethnic composition of the area's caseload to affect recipients' experiences of a program. For example, Keiser et al. (2004) found that when they included community characteristics in their analyses, white recipients were more likely to be sanctioned because white recipients lived in counties that were more politically conservative. Indeed, it is difficult to disentangle whether African Americans have received harsher treatment in the welfare system because of the system's entrenched bias or because, overall, a greater percentage of African Americans live in politically conservative states. Regardless of the underlying mechanism, postdevolution research supports the notion that state and local programs are systematically related to politics and the racial and ethnic compositions of caseloads.

Some proponents of devolution would argue that having welfare systems shaped by the political climate of a jurisdiction is an ideal outcome because it shows that state and local governments are tailoring their programs to the preferences of voters (Oates, 1999). This tailoring of programs to local politics creates a government structure in which citizens who value providing welfare to poor families, and are willing to pay the costs of such services, will have more services available in their area. The problem with this structure is that, regardless of political conditions, advocates for the poor would like lawmakers to adjust welfare services to meet local economic conditions. For example, policymakers should ensure that welfare services are easy to access and more generous during economic downturns or if states have the financial resources to fund services. However, research has shown that even during the economic boom of the late 1990s, economic needs and resources were not consistently related to the passage of policies that were less stringent (De Jong et al., 2006; Fellowes & Rowe, 2004; Soss et al., 2001) or the sanctioning of fewer families (Fording et al., 2007; Keiser et al., 2004). Further, a recent *New York Times* article documented that welfare caseloads in eight of the 10 states with the highest rates of child poverty have either remained stable or shrunk during the recent recession (DeParle, 2009).

POLICY IMPLICATIONS FOR A DEVOLVED WELFARE SYSTEM

Much remains to be learned about the impact of devolution on the welfare safety net for poor families. Most of the available research was conducted during the early phase of welfare implementation and in an environment characterized by strong economic conditions, budget surpluses for state welfare departments, and a demand for labor that outstripped supply. It was within this social context that state and local governments implemented programs that promoted the "work first" message of the federal legislation and transferred resources from providing cash aid to providing supportive services to working families. In the early stages of welfare reform, states were learning to balance their new role of promotion (that is, encouraging work and self-reliance) with their traditional role of enforcement (that is, determining eligibility and monitoring compliance). Devolution has led to a patchwork of different policies across states and localities, with the adoption of a few common practices, most of which stem from compliance with federal criteria for TANF block grants. Specifically, states have used their discretion to create distinctive mixes of incentives for work and punishments for noncompliance. The mix of these rewards and sanctions is tied to whether state and local governments see the goal of a program as promoting work or as reducing caseloads. State policies do not appear to be converging over time in ways that suggest that effective programs are being diffused across places or that states are engaged in a race to the bottom to limit welfare benefits. Rather, state policies are consistently associated with the racial and ethnic composition of a caseload and a jurisdiction's political climate. These findings should raise a warning flag among policymakers, social work advocates, and others interested in providing a safety net for vulnerable families; the concern is that devolution has led to a highly fragmented and potentially discriminatory welfare system in which poor families may have difficulty accessing the benefits that they need.

How might the current welfare reform be altered to address discrimination, limited resources, and fragmented services? As stated by Lens (2002), there are two ways to approach revising the program: (1) make radical changes to the PRWORA legislation or (2) make incremental changes to improve the program. Given that Republicans and Democrats alike support shifting responsibility for welfare—and many other programs—to lower levels of government, returning to the federal system that existed under AFDC does not seem feasible. Nevertheless, the following recommendations suggest concrete changes to help make welfare reform more equitable.

First, it is vital to modify the current federal performance requirements to make state programs more responsive to the needs of poor families. Under PRWORA, the federal government requires states to place increasing percentages of their caseloads in work activities or face reductions in their block grants. The required ratio of cases in work activities can also be satisfied by reducing caseload size (that is, a caseload reduction credit), which has been the compliance mechanism for most states. Indeed, this credit seems to have given states the wrong focus during the current economic recession, in which caseloads have remained largely unchanged despite steep increases in unemployment and poverty. One way to improve welfare reform's responsiveness is to change the performance goals to focus on outcomes other than caseload reduction, including a reduction in poverty and material hardship among families. This change is desperately needed at a time when the percentage of children living in poverty has climbed to over 20 percent (DeNavas-Walt, Proctor, & Smith, 2010). It may be harder for states to create programs to reduce poverty rather than caseloads. However, this change seems necessary given the long-term education, health, and economic consequences of poverty for children. States have shown great flexibility in creating ways to limit caseloads. Now, the same innovation should be harnessed to promote poverty reduction. For example, some states can choose to change program requirements to allow recipients to use education and training programs to fulfill their work requirements while creating community college classes to train welfare recipients for the well-paying jobs available in their states. States may also create programs to ensure that families access the federal benefits for which they qualify, including SNAP and Medicaid. Recognizing the limitations of current performance requirements, NASW recommended making poverty reduction, instead of caseload reduction, the primary goal of welfare reform during the last reauthorization debate (Woodside, 2001).

At the federal level, social workers should also advocate for additional funding to restore the TANF Contingency Fund. Since financing for this fund ended, states have begun changing their welfare programs to control costs—for example, decreasing time limits (Arizona), eliminating cost-of-living adjustments (California), reducing welfare benefits (District of Columbia), and cutting child care subsidies (Texas) (Johnson, Oliff, & Williams, 2010). Ensuring that states have access to additional federal resources until the nation's economy improves could stop these drastic cuts to social services from taking place.

Although this incremental approach does not address the fragmented nature of welfare policies under devolution, it does take steps toward increasing nationwide access to welfare benefits. In addition, reform aimed at changing performance requirements toward poverty reduction might lead states with stringent, restrictive policies to refocus their programs toward improving the lives of poor families. These changes demand social work advocacy at the national level. However, social workers must also work actively at the state and local levels to ensure that all welfare recipients, regardless of the state or county where they reside, can access government programs during times of need. Social workers should develop an in-depth knowledge of their state's welfare system so they can advocate on behalf of clients who have difficulty accessing financial assistance. To do so, they can review the *State TANF Policies:*

Welfare Rules Database Expansion, 2009–2013 (Administration for Children and Families, 2010), which describes each state's eligibility requirements, benefit levels, program requirements, sanctions, and time-limit policies. Social workers can also monitor their state's performance by using yearly TANF caseload data and reports (U.S. Department of Health and Human Services, 2010). The TANF caseload data includes the proportion of applications denied, recipients' demographic and financial characteristics, and percentages of recipients sanctioned or meeting time limits. These data can be used at federal, state, and local levels to advocate for poor families and to ensure that government programs designed to help poor families in need of financial assistance do not allow vulnerable families to fall through the cracks of a complex and fragmented system. **SW**

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