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Innovations in Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 changed welfare from a federal entitlement program to a state run assistance program. The states have been awarded control over welfare policy and design through a block grant. The four underlying principles of welfare reform are;

- Cumulative lifetime and employment time limits
- Increased child support enforcement
- Reduction in teenage pregnancy
- Creation of work programs and supportive services (Camissa 1998, p.72)

The decentralization of control has allowed states to develop innovative welfare programs under the augments of the four principles stated above.

Innovations serving Children and Youth:

Many states have developed creative strategies to promote health children and families by utilizing TANF funds. State efforts have focused on child welfare, early childhood development, Head Start, childcare expansion, and youth development programs (Lovejoy, 2000). For example, in El Paso County, Colorado TANF funds have been used to prevent family crisis and the need for family intervention. A kinship care program has been established where children are able to leave the welfare system as soon as a supportive extended family member has been identified (Lovejoy, 2000). The state of Ohio has developed a Early Start program where home visits are made to teen parents and families with children under the age of three who are on TANF or are at risk of child abuse, neglect, or developmental delay. In 1998 Kansas created a state-federal partnership to fund early childhood development through Early Head Start; TANF funds which have been transferred to the Child Care Development Block Grant have been coupled with federal Head Start funds to provide full day, full year care to up to 500 infants and toddlers. The Michigan Family Independence agency has worked with the Michigan Department of Education to issue 47 competitive grants to school districts thereby enabling them to crease before and after school programs for low income children (Lovejoy, 2000).

Under the PRWORA annual bonuses are awarded to states that have most successfully reduced the proportion out of wedlock pregnancies to total births without increasing the abortion rate. The Department of Health and Human Services awarded $100 million in bonuses to California, the District of Columbia, Michigan, Alabama and Massachusetts (each state will receive 20 million) for achieving the nations largest decreases between 1994 and 1997.

Innovation in Work Programs

PRWORA requires that all welfare recipients enter the workforce within two years, as well as end lifetime assistance within five years. However, within these lenient federal guidelines states are allowed/ encouraged to provide innovative welfare to work programs, along with stricter time requirements for assistance. When planning welfare reform, policy makers pinpointed the obstacles recipients had in entering the workforce. The idea was to create programs that would enable people to become self-sufficient. Two of the primary obstacles outlined were lack of transportation, and job training.

Welfare recipients face an uphill battle not only with attaining jobs, but also finding transportation. Dana Reichert, a welfare reform policy analyst for National Conference of State Legislatures, states that "many jobs are out of reach for welfare recipients, but not because they lack the skills to get those jobs. The growth in the U.S. economy has created many new jobs. Two out of three are located in suburban areas and, in some cities, jobs are outside the range of public transportation." States need to develop programs that would allow welfare recipients to access these suburban jobs.

Connecticut has answered the call by developing a feeder bus that transports riders from bus stops to major employment sectors. It works with local transit providers to extend its hours to accommodate later shift changes and work schedules from the area's main retail district. Bridges to work in Colorado contracts with the local bus provider to connect inner-city workers with suburban employment area. In addition, the Colorado program provides monthly bus passes for riders who have secured jobs, and guarantees a ride home in case of an emergency (Reichert, 2000). Other transit alternatives are vanpooling or shuttle services. These options provide transportation in areas where public transportation has not been previously accessible.

Another key to welfare reform is a tiered job training system. Often welfare recipients are not possessing adequate job skills to enter the private sector. A system where recipients participate in job training, community service jobs, or trial jobs allows them to become self-sufficient in incremental steps.

Wisconsin has implemented this ladder system. Although federal law requires employment with two years, Wisconsin has mandated that every person receiving assistance enter the workforce immediately. If one is not deemed ready to enter the private sector they are required to participate in a 40hr a week job training and community service program (Wiseman, 1999: 8). In addition to job training programs, Washington provides incentive payments to agencies and contractors for placing recipient in long-term and high- paying jobs. Specifically, a bonus of up to $500 is available for service providers who place recipients in jobs for a minimum of 12 weeks (National Conference of State Legislatures, 1997).

Welfare Reform Results

There are different methods for states to choose from when administering follow-up studies; many states have a combination of methods. In a 1999 follow-up study of the welfare reform, a steep drop in caseloads was reported in every state. More single parents have left welfare for work than ever before, more adults on welfare are working, fewer Americans are living in poverty, and the number of people on welfare is lower than any other year since 1969 (Stateline, 2001). By law, each state is required to place a higher percent of welfare recipients into jobs each year. However, almost 50% of the people who leave welfare are unable to find a job on account of their low level of education (Stateline, 2001). The jobs which welfare leavers are able to find tend to not have vacation time, sick leave, or health insurance benefits. Individuals are then left one crisis away from returning to assistance (Stateline, 2001). When an individual begins working, the rent for his/her subsidized apartment is raised, yet food stamps and tax credits may shrink by as much as $600 a year (Stateline, 2001). Former welfare recipients tend to find jobs that pay minimum wage, which is not enough to support a family. The study found that 50-70% of recipients are currently employed or have work earnings. The state of Mississippi is the only exception, with 35% of respondents working at the time of the survey (NCSL, 1999). As a result of the 1996 welfare reform, Medicaid enrollment has declined by 7.4% between the years of 1995 and 1997. Approximately 675,000 low-income people lost their Medicaid as a direct result of the welfare reform; over 400,000 of this population were children (Stateline, 2001). Another effect of the reform is that the poorest fifth of single mothers and their children have lost ground. Every state reports a drastic increase in the demand for emergency food and shelter (Stateline, 2001).

Researchers suggest that state legislatures in the future should

- Offer more job training so recipients can acquire and keep better jobs;
- Improve access to child care, transportation, drug treatment, and mental health counseling; and
- Extend services beyond the pool of welfare recipients to include the working poor.

Conclusion

The following tables, with information provided by the Census Bureau, depict how the state of Vermont compares to other states across the Nation. As one can see, Vermont has one of the lowest poverty levels, awards large cash grants, and has very low caseloads comparatively.

TANF Caseloads, March 1999

State	Recipients	Percent Change (93-98)
California	1,818,197	-25%
New York	828,302	-30%
Illinois	382937	-44%
Texas	313823	-60%
Pennsylvania	312364	-48%
Ohio	282444	-61%
Michigan	263583	-62%
Florida	198101	-72%
New Jersey	175223	-50%
Washington	174099	-39%
Tennessee	152695	-52%
Massachusetts	151592	-54%
Minnesota	140128	-27%
North Carolina	138570	-58%
Georgia	137976	-66%
Missouri	135383	-48%
Louisiana	111074	-58%
Indiana	109675	-48%
Puerto Rico	107447	-44%
Kentucky	99560	-56%
Arizona	92467	-52%
Connecticut	90799	-43%
Maryland	89003	-60%
Virginia	88910	-54%
New Mexico	80686	-15%
Iowa	60151	-40%
Oklahoma	56640	-61%
Rhode Island	53859	-12%
DC	52140	-21%
Alabama	46934	-67%
Hawaii	45515	-17%
Oregon	45450	-61%
West Virginia	44367	-63%
South Carolina	42504	-72%
Colorado	39346	-68%
Mississippi	38426	-78%
Nebraska	34662	-28%
Maine	34108	-50%
Kansas	32873	-62%
Arkansas	29340	-60%
Wisconsin	28863	-88%
Alaska	28020	-20%
Utah	26428	-50%
Nevada	20283	-42%
Vermont	**18230**	**-37%**
Delaware	16581	-40%
New Hampshire	16090	-44%
Montana	15508	-55%
Guam	8620	-69%
South Dakota	8445	-58%
North Dakota	8355	-55%
Virgin Islands	3533	-6%
Idaho	2897	-86%
Wyoming	1770	-90%

Maximum Monthly Cash Assistance:

State	Value
Alaska	923
Hawaii	712
Wisconsin	688
California	682
Vermont	**639**
Connecticut	636
Massachusetts	579
New York	573
Rhode Island	554
New Hampshire	550
North Dakota	549
Washington	546
Minnestota	536
Oregon	503
Montana	461
Michigan	459
Utah	451
South Dakota	450
Maine	439
Kansas	429
Iowa	426
New Jersey	424
Pennsylvania	421
New Mexico	389
Delaware	388
Maryland	388
Illinois	377
Nebraska	364
Ohio	362
Colorado	356
Virginia	354
Nevada	348
Arizona	347
Wyoming	340
Flordia	303
West Virginia	303
Missouri	292
Oklahoma	292
Indiana	288
Georgia	280
Idaho	276
North Carolina	272
Kentucky	262
Arkansas	204
South Carolina	201
Texas	201
Louisiana	190
Tennessee	185
Mississippi	170
Alabama	164

Percent of People Living in Poverty, 1998

State	Value
New Mexico	20.4
Louisiana	19.1
West Virginia	17.8
Mississippi	17.6
New York	16.7
Arizona	16.6
Montana	16.6
California	15.4
North Dakota	15.1
Texas	15.1
Oregon	15
Arkansas	14.7
Alabama	14.5
Oklahoma	14.1
North Carolina	14
South Carolina	13.7
Kentucky	13.5
Georgia	13.5
Tennessee	13.4
Florida	13.1
Idaho	13
Nebraska	12.3
Rhode Island	11.6
Pennsylvania	11.3
Ohio	11.2
Michigan	11
Hawaii	10.9
South Dakota	10.8
Wyoming	10.6
Nevada	10.6
Maine	10.4
Delaware	10.3
Minnesota	10.3
Illinois	10.1
Vermont	9.9
New Hampshire	9.8
Missouri	9.8
Kansas	9.6
Connecticut	9.5
Indiana	9.4
Alaska	9.4
Colorado	9.2
Iowa	9.1
Utah	9
Washington	8.9
Virginia	8.8
Wisconsin	8.8
Massachusetts	8.7
New Jersey	8.6
Maryland	7.2

State	Percent Employed	Average Hourly Wage	Percent Returning to Cash Assistance
Alaska	65%	$10.52	38%
Arkansas	58%	$6.99	22%
Arizona	57%	$7.47	35%
California	61%	**N/A**	7%
Colorado	65%	$8.00	20%
D.C.	60%	$8.13	24%
Florida	57%	$6.00	**N/A**
Georgia	59%	**N/A**	11%
Illinois	63%	$7.41	28%
Indiana	64%	**N/A**	**N/A**
Kansas	58%	**N/A**	35%
Kentucky	58%	**N/A**	**N/A**
Maryland	50%	**N/A**	25%
Massachusetts	71%	$8.47	18%
Missouri	65%	**N/A**	14%
North Carolina	69%	$7.25	17%
New Jersey	65%	**N/A**	35%
New Mexico	58%	$6.00	20%
New York	53%	**N/A**	21%
Pennsylvania	58%	**N/A**	**N/A**
Texas	59%	$6.35	28%
Utah	56%	$7.34	**N/A**
Virginia	55%	$7.10	17%
Washington	59%	$7.00	19%
Averages	60%	$7.43	23%

Source: National Conference of State Legislatures. http://www.ncsl.org

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