

CAUTION!

The following slides may cause distress to persons traumatized by evisceration or convinced that ours is truly “The Golden Age of Evidence-Based Policy”. As palliative, we do present one regression in traditional comforting APPAM style, with asterisks.

Restoring the Entrails of Welfare Reform

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You were warned . . .

Background

- This paper is about an episode in the 2012 presidential campaign. It (the paper, not the campaign) is a work in progress.
- Trigger: ACF memo inviting states to propose testing “alternative and innovative strategies, policies, and procedures that are designed to improve employment outcomes for needy families.”
- The memorandum offered states the opportunity to “test approaches and methods including definitions of work activities and engagement, specified limitations, verification procedures, and ***calculation of participation rates***.”
- Asserted authority was Section 1115 of the Social Security Act.
- “HHS will only consider approving waivers relating to the work participation requirements that make changes intended to lead to more effective means of meeting the work goals of TANF.”

It's a cliché, but all hell broke loose

Under the banner “Obama **Guts** Welfare Reform,” staff of the Heritage Foundation pronounced:



“Today, the Obama Department of Health and Human Services (HHS) released an official policy directive rewriting the welfare reform law of 1996. The new policy **guts** the federal work requirements that were the foundation of the reform law. The Obama directive bludgeons the letter and intent of the actual reform legislation.”

This was quickly picked up



The Participation Requirements

- Part of PRWORA.
- Defined participation
- Set requirements for rates of participation, for all cases and for adults in two-parent families
- Offset by “caseload reduction credit”
- Recalibrated in 2005
- Focus of much attention
- The idea behind the federal proposal



The subsequent debate is interesting, on several grounds

- It's about waivers
- It about the generation of the evidence base for policy.
- Broaches a common issue for policy scholars and policy analysts: What is our social responsibility in context of this sort of event?
- We've been amassing material.

The Big Points

- There is no rationale for PRWORA's choice of participation target
- The debate never touched on a key issue: Resources
- We illustrate the last point by calculating for each state the resources welfare reform made available.

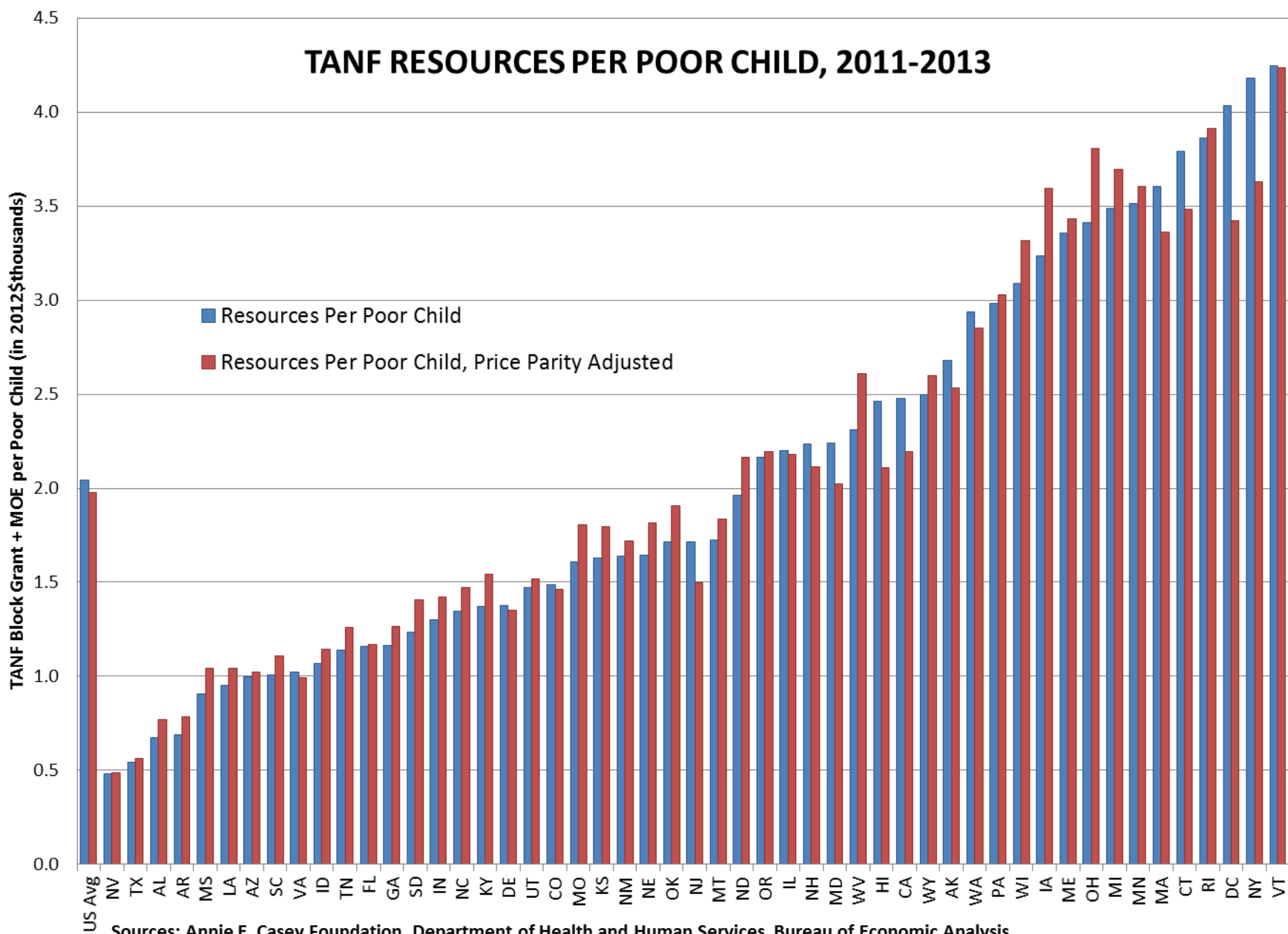


Don't count on it

Computation Break!

- Before adjustments for caseload reduction, etc. all states are subject to the same required rate
- Level playing field would seem to require equalizing resources, possibly with some adjustment for tax capacity
- We calculate the number of poor children in each state
- We calculate the ratio of resources to poor children
- The calculation is more sophisticated than you might expect
- Here's what we get when we sort states

TANF RESOURCES PER POOR CHILD, 2011-2013



Sources: Annie E. Casey Foundation, Department of Health and Human Services, Bureau of Economic Analysis

Possibly Palliative Regressions

$$\ln\left(\frac{TANF}{Poor\ Child}\right) = -9.4 + 1.55 \ln(Per\ capita\ income)$$

$$t = 2.78^{**}, R^2 = .14, n = 51$$

$$\ln\left(\frac{(TANF + MOE)}{Poor\ Child}\right) = -13.0 + 1.93 \ln(Per\ capita\ income)$$

$$t = 3.38^{***\frac{2}{3}}, R^2 = .19, n = 51$$



Well, maybe not . . .

(Some of) The Issues

- 1) Did Congress intend to allow waivers of TANF provisions?
- 2) Is use of waivers in the way *Guidance* describes consistent with law?
- 3) Does the proposed use of waivers contravene TANF work requirements?
- 4) Are the participation standards really the core of welfare reform?
- 5) Can states be trusted?
- 6) Can the Secretary be trusted?

The Responses

- Our Leader
- Coalition for Evidence-Based Policy
- Congressional Budget Office
- Center on Budget and Policy Priorities
- House Ways and Means Committee

From the draft TANF reauthorization bill (July 2015):

SEC. 4. NO WAIVERS OF WORK REQUIREMENT

- And, last but not least, “Peter the Citizen”

Word of the Day: Extispicy

“The study and divination by use of animal entrails, usually the victims of sacrifice, like rational discourse in American social policy” (Wikipedia, augmented)

The Two Visions

- What might we want?
- What might a meaningful federal state partnership look like?



Integrity restored

The guts, however, augur little hope