

Why We Must Be Bold *and Smart* on Welfare Reform: A Response to Kay Coles James

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In “Why We Must Be Bold on Welfare Reform,” Kay Coles James, president of The Heritage Foundation, asserts that we face a “welfare crisis” created by Washington and that bold action is needed to “save lives from failed liberal policies.”² Most conservatives, including James, believe the 1996 welfare reform law, particularly the creation of the Temporary Assistance for Needy Families (TANF) block grant with its work requirements has been an unprecedented success and is a model for reforming other safety net programs. While James advances several “bold” ideas, her “reforms” are based on conservative talking points rather than evidence and attention to policy details. This response addresses some of the claims made by James about welfare reform. Each claim is followed by a “PC Response.” (“PC” is short for “Peter the Citizen.”)

Kay Coles James: “...The Heritage Foundation has long called for welfare to be a work-based system, not a one-way handout.”

PC Response: I appreciate The Heritage Foundation’s long history supporting work requirements. Indeed, my 1982 paper for the Foundation, “Workfare: Breaking the Poverty Cycle,” may have been the first *Backgrounder* on the subject.³ I have spent many of the next 36 years studying and writing about the topic of welfare generally and work requirements specifically. I have come to appreciate the importance of policy details and the value of rigorous evidence about what works and what doesn’t. Simply calling for “welfare to be a work-based system” is not the same as developing programmatic options to bring this about.

While conservative think tanks, most notably The Heritage Foundation and the American Enterprise Institute (AEI), continue to hail the 1996 welfare reform law and TANF’s work requirements as a success, their claims are based on simplistic talking points rather than rigorous analysis. In particular, their publications: 1) fail to describe TANF’s work requirements precisely (and, in legislation, “words” matter); 2) fail to analyze TANF’s work data and trends accurately; 3) fail to recognize that conservatives themselves are responsible for “gutting” work requirements; 4) fail to assess the impact of “welfare reform” and TANF’s work requirements in a comprehensive and methodologically rigorous fashion; and 5) fail to develop effective and detailed policy solutions to address the problems in TANF’s work requirements. The misinformation and misguided policy advice provided by both think tanks has important consequences, as both organizations seem to have considerable influence on members of Congress, as reflected in policy documents, such as Speaker Ryan’s *A Better Way* report on “Poverty, Opportunity, and Upward Mobility.”⁴

Welfare reform and work requirements should be based on credible evidence and attention to policy details. For a detailed critique see:

- “The Failure of TANF Work Requirements: A *Much Needed* Tutorial for the Heritage Foundation and the American Enterprise Institute,” August 7, 2016, available at:

<http://mlwiseman.com/wp-content/uploads/2016/05/The-Failure-of-TANF-Work-Requirements-1.pdf>.

Kay Coles James: “Nine out of 10 Americans agree, but today work is almost absent from the welfare system.”

PC Response: While work requirements can be a useful policy tool, they should be reasonable (for recipients), realistic (for states), and based on credible evidence (i.e., findings from a randomized control trial). As policymakers consider expanding work requirements, they should keep these factors in mind. This requires going beyond simplistic talking points to focus on policy details and a careful assessment of evidence pertaining to the implementation and impacts of past efforts. What is *not* helpful is citing public opinion polls that rely on overly generalized questions about work requirements to justify what are often unreasonable and potentially harmful policies affecting our nation’s most vulnerable citizens.

If the public understood the details about some work requirement proposals, they might have a very different viewpoint. Robert Rector, The Heritage Foundation’s leading authority on welfare and an ardent supporter of work requirements, illustrates this very point in his assessment of two current proposals.

In “Medicaid Work Requirements Won’t Work,” Rector argues that proposals to extend work requirements to Medicaid would be ineffective:

...work requirements for medical services would be almost impossible to administer and enforce. Making cash assistance or food stamps contingent on work participation is one issue, denying medical care to sick, poor people is another matter. If enacted, “work requirements” in Medicaid would certainly be symbolic rather than substantial.⁵

With respect to the House Agriculture Committee’s recently passed legislation to significantly expand the scope of work requirements for SNAP (formerly known as food stamps), he expresses reservations about the unreasonableness of the bill’s requirement for 20 hours of participation per week in exchange for a monthly benefit of about \$150 to \$185:

It was easy defending the Maine program, because I could say it only asked for six hours of community service, but it has to be proportionate. The idea here is not to punish these people.⁶

He also raises concerns in terms of the harshness of the sanction for non-compliance by an individual – an entire year for the first infraction and three years for subsequent ones:

That’s exactly what you don’t want to do. You want to have a work program where it’s very firm but it’s very forgiving: If you didn’t do what you were supposed to do last month, okay, we’re not going to give you the benefit, but if you want to do the right thing this month we’ll put you back on the rolls.⁷

As a result, he predicts:

The severity of these penalties is unnecessary and counter-productive. The sanctions' severity means that they are not likely to be enforced; bureaucracies will face incentives to find other legal ways to determine that recipients met work requirements regardless of whether they actually did.⁸

Policy details matter. If a public opinion poll provided the details of specific work requirement proposals, many of those who support work requirements *generally* might have a different view. For more on the misuse of opinion polls to promote, in Rector's words, "punishing" work requirements, see:

- "The Misuse of Opinion Polls to Promote 'Punishing' Work Requirements: Why Policy Details Matter," May 6, 2018, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/Misuse-of-Opinion-Polls.pdf>.

Kay Coles James: "We can fix that by strengthening the work requirements in the Temporary Assistance for Needy Families and earned income tax credit programs and extending them to food stamps too. (A bill from Sen. Mike Lee, R-Utah, and Rep. Jim Jordan, R-Ohio, S.1290/H.R. 2832, would tackle both; a bill from Rep. Garret Graves, R-La., H.R. 2996, is a robust food stamp work requirement in standalone legislation.)"

PC Response: The Jordan-Lee bill would not "fix" TANF's work requirements (though they do need "fixing") – it would shred the safety net by imposing unreasonable and unattainable work requirements for both TANF and SNAP, with draconian penalties on both states and individuals if they cannot comply with the new requirements.⁹ Conservatives who propose or support the kinds of policies described in this bill are not serious about work requirements or helping the poor – their only real intention is to minimize the federal role in providing a safety net as quickly as possible, under the naïve belief that states will fill the void.

In a nutshell, the "Welfare Reform and Upward Mobility Act" does not address the deficiencies of TANF's work requirements, but instead creates a byzantine administrative structure of three overlapping, but uncoordinated, work requirements – two for TANF and one for SNAP. In a nutshell, its main problems are:

- The Act builds on TANF's current dysfunctional work requirement and adds a second requirement for "non-working families" and another one for SNAP families with dependent children. It creates an impossible administrative burden on states – each work requirement has its own target population, rules on what activities count and the minimum hours of participation needed for an individual (or family) to count, work rate targets and how they are measured, sanction policies for individuals, and penalties for states.
- For states, the required work rates are unrealistic and unachievable. One of the biggest failures of conservative policymakers is to study the failed implementation of TANF's work requirements. The Act's new requirements are even more challenging and there is

no reason to believe, based on the TANF experience that states could come close to meeting them.

- For states, the penalties for failing to satisfy the new work rate requirements are unprecedented in their harshness; indeed, for the new TANF requirement, the penalty itself could exceed the amount a state spends on assistance.
- For individuals, the Act extends work requirements in both TANF and SNAP to parents needed in the home to care for a disabled family member and non-citizen parents ineligible for assistance; for TANF, the second work requirement would go so far as to require disabled parents and parents with an infant to participate.¹⁰
- For individuals, the mandated sanctions for non-compliance are unprecedented in their harshness, and can include the entire TANF/SNAP grant, leaving no safety net. While there is a role for sanctions in welfare programs, sanction policies like other welfare policies should be subject to rigorous evaluation in selected sites before being implemented on a national scale; this Act's provisions are not based on any evidence regarding their effectiveness and threaten to throw millions of poor families even deeper into poverty. And, states may have no choice but to penalize them or be subject to draconian penalties themselves.
- There is no recognition of the cost associated with implementing and running welfare-to-work programs. The first year cost could easily be \$10 billion or more, yet the Act makes no provision for additional funding for such work programs.

The result will be predictable – more gimmickry and more poverty. For more detail on the bill, see:

- “The Welfare Reform and Upward Mobility Act: A Conservative Plan to Eviscerate the Safety Net (An Update),” June 11, 2017, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/WRandUMA.2017.pdf>.

Kay Coles James: “Bottom line: If you’re not too young or too old, not physically or mentally disabled, then you should be working. You need to be working. Not for us and not just for the Treasury, but for you, for your kids, and for your future.”

PC Response: While I agree, *generally*, work requirements should be reasonable, realistic, and based on evidence. The creation of TANF gutted the work requirements that existed at the time and ended a waiver process that could be used to improve them (more on this below). We now have to start over and in doing so conservatives should pay attention to policy details, provide adequate funding, evaluate rigorously, and recognize that it will take time to scale work requirements. Sadly, this is not a lesson that has been learned yet. For more details on the failure of TANF work requirements, see yet another response to The Heritage Foundation:

- “TANF Work Requirements are NOT About Work: An Explanation for Katherine Bradley and Robert Rector,” July 23, 2017, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/Bradley.Rector.pdf>.

Kay Coles James: “I mentioned earlier that government has spent over \$28 trillion on welfare programs, but do you know how much it now spends each year? The answer is a stunning \$1.1 trillion. Just imagine the sticker shock if every American knew. Maybe that’s the reason policymakers and the American public don’t get this information through the annual budget process.

This is a real problem. Without honest and accurate information, lawmakers and their constituents are handicapped in their ability to press for the rational policy reform that’s long overdue.

That’s why The Heritage Foundation is calling for presidential budgets to report on welfare spending in its totality. We also want the administration to release data on the actual aggregate benefits being received by individuals on welfare.”

PC Response: While such a report would have some value, it is unnecessary.¹¹ Numerous organizations already compile this information, including the Congressional Research Service and The Heritage Foundation. The *real* problem is the superficial analysis conducted by conservative think tanks and Congress. See, for example:

- “Speaker Ryan’s ‘Poverty, Opportunity, and Upward Mobility Report’: The Need for ‘A Much Better Way’,” August 17, 2016, available at: http://mlwiseman.com/wp-content/uploads/2016/05/The-Need-for-a-Much-Better-Way.Final_.pdf.

Kay Coles James: “Just as important, Washington should be paying for results, not merely for process. Today, government programs generally fund services rather than the outcomes that are needed. If any business operated this way, it would soon be bankrupt. (Perhaps that’s why the U.S. federal government is more than \$22 trillion in debt?)

Instead, taxpayer funds should be going only to programs that actually are delivering the outcomes – such as job placement – that they promise. And the administration should be reporting on such outcomes in detail, so that policymakers can assess which programs deserve continued funding and which should be replaced with more effective alternatives.”

PC Response: Paying for results is important. What James may not realize is that there was a process in place to do just this, until the 1996 welfare reform came along and created TANF – a blank check to states with absolutely no accountability.

Thirty years ago, President Reagan announced a bold new strategy to reform the welfare system, described in *Up from Dependency: A New National Public Assistance Strategy*.¹² That report’s description of the welfare system and its policy options are similar to those conservatives espouse today, as encapsulated in the following excerpt:

This report, along with its supplemental volumes, assesses the welfare system and its successes and failures, describes the frustrations felt by the poor in the United States, and proposes a basic change in public assistance policy. America's state and federal governments spend more than \$150 billion a year on programs to alleviate poverty, yet poverty continues to be a problem. Weaknesses within the centralized welfare system contribute significantly to the persistence of poverty in America. The following recommendations are offered: (1) the welfare system must be treated as a system; (2) no "national" welfare reforms should be proposed or supported without first being locally tested; (3) reform goals should be adopted that comprehensively define federal requirements for reform, allow maximum flexibility for state- and community-based reform efforts, and retain the current federal-state financing commitments; (4) the Federal Government should initiate a program of widespread, long-term experiments in welfare policy through state-sponsored and community-based demonstration projects; and (5) legislation should be proposed to implement the experimental program and ensure that its useful results are gradually incorporated into the national public assistance system. The report discusses findings, the potential for reform, and the proposal for a new national welfare strategy.¹³

Indeed, the "Low-Income Opportunity Improvement Act of 1987" was a far more comprehensive version of Speaker Ryan's "Opportunity Grants" proposal, both in the scope of programs included and the number of states that would be permitted to undertake experiments.¹⁴

Although Congress did not pass President Reagan's legislation, the exercise ultimately resulted in an interagency waiver process for welfare reform (using existing waiver authority) that provided states considerable flexibility to test alternative approaches to their cash welfare programs (and to a lesser extent – food stamps and Medicaid). This approach was continued by President Bush and President Clinton. This process did not provide a fixed level of funding, like block grants. Instead, it relied on an approach that would provide a real counterfactual using the "gold standard" of evaluation – random assignment – for both cost neutrality and evidence-based learning.¹⁵

The findings from random assignment experiments are considered the most credible, because the experimental and control groups are alike and subject to the same external conditions, with the only difference being the intervention itself. Any difference in outcomes between the groups can be attributed to the intervention – welfare reform – itself. Thus, policymakers could have confidence in whether the state reforms actually reduced welfare dependency and poverty by increasing self-sufficiency. This approach provided rigorous evidence, including many examples of state experiments that increased employment and earnings, and also reduced welfare dependency and poverty.¹⁶ By August 1996, 43 states had received welfare waivers from the U.S. Department of Health and Human Services (HHS).¹⁷ TANF added little to this flexibility and indeed most states simply continued their waiver-based policies under TANF. The next step would have been to increase the waiver authorities in other programs. Instead, TANF gutted not just the work requirements, but this evidence-based approach to welfare reform.¹⁸

For those interested in "paying for results," this was the model that should have been emulated.

Kay Coles James: “When I had the privilege of serving as Virginia’s secretary of health and human resources, we passed statewide welfare reform. This was before Congress passed Temporary Assistance for Needy Families, and it was against fierce resistance from the left and the media. But we did it, and we learned some important lessons that might be of value.

The result was a package of workfare, learnfare, and child support enforcement measures that had an immediate and positive result. According to an independent analysis by Virginia’s version of the Government Accountability Office, the reform enabled welfare caseloads to drop by ‘nearly 50 percent.’ It also resulted in ‘a strong increase in the average percent of recipient resources that is from income and a strong decrease in the average percent of recipient resources that is from [welfare] payments.’”

PC Response: This is a selective and misleading reporting of the results. It is true that between 1994 and 1999 welfare caseloads in Virginia fell 50 percent, but they fell 50 percent nationally. And, they fell in all states, regardless of whether they had undertaken special reforms or not. Other factors besides welfare reform were also important – most notably the strong economy and the tremendous expansion in aid to the working poor (e.g., the EITC, child care, and Medicaid).

The real impact of welfare reform in Virginia is best measured through the random assignment evaluation that was required as a condition of the waivers James received from the federal government to implement its reforms. The same independent evaluation James cited above included a summary of results from the random assignment experiment. It characterized the results of the state’s welfare reform as “fairly minimal in magnitude.” Specifically:

While some of the recent declines in the State’s caseloads are undoubtedly due to policy changes enacted through the current welfare reform program, a portion of the decline may be a function of the economic growth the State has experienced. This is perhaps best illustrated by some of the findings from a recently completed study of Virginia’s welfare reform conducted by Mathematica Policy Research, Inc. In its study, Mathematica compared labor market outcomes for a sample of TANF recipients to those of welfare recipients who had been randomly assigned to a comparison group that was not subject to the new welfare reform requirements. The recipients in the comparison group received their benefits under the old rules of AFDC, and some were subject to the employment-related policies of VIEW’s predecessor program, JOBS.

Table 1: Employment and Welfare Impacts of the Virginia Independence Program			
Outcome Measure	Experimental Group TANF Recipients	Control Group AFDC Recipients	Impact
Percent Employed	54.2%	51.3%	2.9%***
Quarterly Earnings	\$2,970	\$2,777	\$193*
Welfare Benefits	\$1,665	\$1,682	-17
Percent Employed and Not on Welfare	25.9%	25.1%	0.8%

Note: *** Statistically significant at the .01 level; ** statistically significant at the .05 level; * statistically significant the .10 level.
Source: *Early Impacts of the Virginia Independence Program*, Final Report, November 1999. Mathematica Policy Research, Inc.

As Table 1 reveals, two years after receiving services, the differences in labor market outcomes and welfare participation patterns between these two groups were statistically

significant for some measures, but fairly minimal in magnitude. Compared to the control group, TANF recipients had a 2.9 percent higher employment rate, had \$193 more in quarterly earnings, had \$17 less in quarterly welfare benefits, and were 0.8 percent more likely to be employed and not receiving TANF benefits.

The minimal size of the statistically significant impacts reported in Table 1 suggests that the overall employment levels achieved by VIEW recipients were not impacted much by the services that are provided through the program.¹⁹

This summary reflects the importance of rigor in assessing program impacts. James asserts that it's important to "pay for results"; she paid for them in Virginia, so she should cite these results, not the simplistic and misleading before-and-after statistics that fail to control for other factors that could influence the outcomes of interest.

Kay Coles James: "Importantly, our reform in Virginia also achieved budgetary savings. In fact, the same happened at the federal level. Thanks to the 1996 legislation, Temporary Assistance for Needy Families is the only welfare program in which spending has been under control over the past two decades."

PC Response: To make a claim of "budgetary savings" requires have a rigorous counterfactual. As seen in Table 1 above, the welfare savings were negligible compared to a control group that received the preexisting AFDC policy. The fact that AFDC spending declined does not mean the state's "welfare reform" caused it.

Kay Coles James: "And all this happened despite the Congressional Budget Office, which didn't believe reform would generate savings. Had conservatives listened to the CBO 20 years ago, there never would have been a welfare reform, but Congress – backed by the analysis of Robert Rector at The Heritage Foundation and others – had the courage to say the CBO was wrong."

PC Response: TANF is a fixed block grant, so it should come as no surprise that it has produced savings over the long-term. It is worthwhile to note, however, that in the first 5 to 10 years, virtually all states enjoyed a federal windfall, i.e., it cost more than the old system, because the governors negotiated a great deal for themselves. Caseloads started to fall in 1994 and would have continued to do so irrespective of whether the 1996 law passed or not. The block grant amount was based on costs during the years caseloads were at their peak. According to the U.S. General Accounting Office: "For the United States as a whole, we estimated that if all states had received a full year's TANF allotment in 1997 and maintained state funding at 80 percent of historic levels, they would have had about \$4.7 billion more than we estimate they would have spent in 1997 under prior methods of financing. On average, given the actual caseload in 1997, we estimated that states would have had about 25 percent more budgetary resources under TANF than they would have had under AFDC funding rules."²⁰ Overpaying states by this amount is hardly responsible legislating (nor is bribing one set of governors at the expense of all future governors).

Of course, in the long run, inflation has eroded the value of the block grant and there have been savings to the federal and state governments, but they have come at the expense of needy families. There no longer is a meaningful cash assistance safety net in many states and most provide very little in the way of a hand up – something that is obvious if one just looks at the small number of families participating in real work activities.²¹

Kay Coles James: “History has proven us correct. Work requirements reap savings in the long run. Just as we saw in Virginia, enabling welfare recipients to find work leads to fewer people depending on welfare and cost savings for taxpayers.”

PC Response: The Virginia experiment demonstrated the challenges in creating work requirements that lead to *real* increases in employment (i.e., compared to a real counterfactual – a randomly assigned control group). There was almost no increase in employment as a result of the state’s welfare reform policies.

TANF’s work requirements have undoubtedly led to sharp declines in caseloads in Virginia (and the nation) in the long run; sadly, one cannot say the same for the number of poor families with children. Between 1994 (the baseline representing the start of Virginia’s experiment) and 2016, the AFDC/TANF caseload in Virginia fell 68 percent, from 74,401 to 24,125; meanwhile, the number of poor families with children rose 23 percent, from 101,780 to 125,452. (The number of families in deep poverty – with incomes below 50 percent of the poverty line – rose 54 percent during this same time period, from 44,184 to 68,047.)²² How is this success?

Kay Coles James: “Policymakers can achieve this with an Empowerment Agenda. They can save lives from failed liberal policies, and they can make it possible for millions of Americans to realize their dreams.

All it takes is a willingness to take the bold action that America needs.”

PC Response: The problem with the conservative “Empowerment Agenda” is that it’s model after the failed TANF program. Writing about the politics of the 1996 legislation, Robert Rector of The Heritage Foundation stated: “It isn’t enough to get the technical details of a policy right. Words and symbols matter, too.”²³ Unfortunately, when it comes to the TANF legislation, Congress got virtually every technical detail wrong. If conservatives want to be seen as serious anti-poverty thinkers, they should ask themselves the following 10 questions about TANF (and any welfare reform proposal). (For answers, see “The Need for Common Sense Conservative Welfare Reform: Ten Questions for House Speaker Paul Ryan.”²⁴)

1. Does it make sense to have work requirements that don’t work?
2. Does it make sense to have a funding structure for a safety net program that is unresponsive to changes in economic and demographic circumstances?
3. Does it make sense to give states so much flexibility they can count virtually any expenditure as “reasonably calculated” to advance a TANF purpose?
4. Does it make sense to permit states to use TANF funds to supplant existing state expenditures and use it as a giant slush fund?

5. Does it make sense to replace a simple and effective federal-state matching approach with an ineffective, Rube Goldberg-like financing scheme?
6. Does it make sense to give states so much flexibility they can duplicate the benefits and services of dozens of other low-income programs with virtually no accountability?
7. Does it make sense to provide funding for safety net programs that have either no income limit or that permit states to set very high income limits?
8. Does it make sense to impose rules that are ineffective and/or needlessly complicated?
9. Does it make sense to ignore evidence-based research?
10. Does it make sense to use TANF as a model for reforming other welfare programs?

The answer to each question should be “NO!” TANF has failed with respect to each of the first nine questions and thus should not be a model for reforming other welfare programs.

Welfare reform is needed; it needs to be “bold”; but more important – it should be *smart*, based on common sense and credible evidence about what works and what doesn’t.

¹ The views in this document reflect my own as a citizen and do not reflect the views of any organization I am now or have ever been affiliated with. By way of background, I am a conservative and have worked on welfare issues for the Heritage Foundation, the American Enterprise Institute, and the White House under both President Reagan and President George H.W. Bush. This paper assumes the reader has a basic understanding of the TANF program, but for those readers who want more context and background, see Peter Germanis, *TANF is Broken! It's Time to Reform "Welfare Reform" (And Fix the Problems, Not Treat their Symptoms)*, July 25, 2015 draft, available at: <http://mlwiseman.com/wp-content/uploads/2013/09/TANF-is-Broken.072515.pdf>.

² Kay Coles James, "Why We Must Be Bold on Welfare Reform," The Heritage Foundation, March 12, 2018, available at: <https://www.heritage.org/welfare/commentary/why-we-must-be-bold-welfare-reform>.

³ Peter G. Germanis, "Workfare: Breaking the Poverty Cycle," The Heritage Foundation, July 9, 1982, available at: http://s3.amazonaws.com/thf_media/1982/pdf/bg195.pdf.

⁴ "Poverty, Opportunity, and Upward Mobility," in *A Better Way: Our Vision for a Confident America*, June 7, 2016, available at: <http://abetterway.speaker.gov/assets/pdf/ABetterWay-Poverty-PolicyPaper.pdf>.

⁵ Robert Rector, "Work Requirements in Medicaid Wont' Work. Here's a Serious Alternative," The Heritage Foundation, March 19, 2017, available from: <https://www.heritage.org/health-care-reform/commentary/work-requirements-medicaid-wont-work-heres-serious-alternative>.

⁶ Robert VerBruggen, "Welfare Reform 2.0," The National Review, April 26, 2018, available at: <https://www.nationalreview.com/magazine/2018/05/14/republicans-welfare-reform-efforts-improve-food-stamps/>.

⁷ Robert VerBruggen, "Welfare Reform 2.0," The National Review, April 26, 2018, available at: <https://www.nationalreview.com/magazine/2018/05/14/republicans-welfare-reform-efforts-improve-food-stamps/>.

⁸ Robert Rector, Jamie Bryan Hall, and Mimi Teixeira, "Five Steps Congress Can Take to Encourage Work in the Food Stamps Program," The Heritage Foundation, April 20, 2018, available at: https://www.heritage.org/sites/default/files/2018-04/IB4840_1.pdf.

⁹ Peter Germanis, "The Welfare Reform and Upward Mobility Act: A Conservative Plan to Eviscerate the Safety Net (An Update)," June 11, 2017, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/WRandUMA.2017.pdf>.

¹⁰ Technically, these requirements relate to what the state can count toward their work participation requirements. Adding these hard-to-serve groups will make it harder for states to achieve them and may force them to try to engage the families or sanction them.

¹¹ When I worked for the Reagan Administration, I prepared just such a report. See Peter Germanis and Richard Bavier, eds., *Up from Dependency: A New National Public Policy Assistance Strategy, Supplement 1: The National Public Assistance System*, Executive Office of the President, Interagency Low-Income Opportunity Advisory Board, September 1987, <https://eric.ed.gov/?id=ED316588>.

¹² "Poverty, Opportunity, and Upward Mobility," in *A Better Way: Our Vision for a Confident America*, June 7, 2016, available at: <http://abetterway.speaker.gov/assets/pdf/ABetterWay-Poverty-PolicyPaper.pdf>.

¹³ Executive Office of the President, *Up from Dependency: A New National Public Assistance Strategy. Report to the President*, December 1986, available at: https://archive.org/details/ERIC_ED316587.

¹⁴ See President Ronald Reagan, "Message to the Congress Transmitting Proposed Low-Income Opportunity Legislation," February 26, 1987, available at: <http://www.presidency.ucsb.edu/ws/index.php?pid=33907>.

¹⁵ See Judith M. Gueron and Howard Rolston, *Fighting for Reliable Evidence* (New York, NY: Russell Sage Foundation, June 2013) and Michael E. Fishman and Daniel H. Weinberg, "The Role of Evaluation in State Welfare Reform Waiver Demonstrations," in *Evaluating Welfare and Training Programs*, edited by Charles Manski and Irv Garfinkel, (Harvard University Press, January 1992), pp. 115-142.

¹⁶ Jeffrey Grogger, Lynn A. Karoly, and Jacob Alex Klerman, *Consequences of Welfare Reform: A Research Synthesis* (Santa Monica, CA: July 2002), http://www.acf.hhs.gov/programs/opre/welfare_employ/res_synthesis/reports/consequences_of_wr/rand_report.pdf.

¹⁷ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Setting the Baseline: A Report on State Welfare Waivers*, June 1997, <http://aspe.hhs.gov/hsp/isp/waiver2/title.htm>.

¹⁸ The waiver process could have been improved, particularly if the goal was to provide nationally-relevant policy information, but the approach and the lessons learned during the waiver process are important and "serious" conservative reformers would benefit from studying that experience. For a discussion of some of these issues, see Michael L. Wiseman and Mark Greenberg, "Fixing Welfare Waiver Policy," *Public Welfare*, Winter 1995, pp. 10-17. These are two separate articles, but share the same title.

¹⁹ Joint Legislative Audit and Review Commission of the Virginia General Assembly, Virginia's Welfare Reform Initiative: Follow-Up of Participant Outcomes, 2000, pp. 8-9, available at: <http://jlarc.virginia.gov/pdfs/reports/Rpt253.pdf>.

²⁰ U.S. General Accounting Office, *States are Restructuring Programs to Reduce Welfare Dependence*, June 1998, p. 78.

²¹ See, for example, Table 4A, at U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, "Work Participation Rates – Fiscal Year 2016," September 7, 2017, available at: <https://www.acf.hhs.gov/ofa/resource/work-participation-rates-fiscal-year-2016>.

²² All data from Ife Floyd, LaDonna Pavetti, and Liz Schott, "TANF Reaching Few Poor Families," Center on Budget and Policy Priorities, December 13, 2017, available at: <https://www.cbpp.org/research/family-income-support/tanf-reaching-few-poor-families>.

²³ Robert Rector, "Bill Clinton was Right," *The Washington Post*, August 23, 2006.

²⁴ Peter Germanis, "The Need for Common Sense Conservative Welfare Reform: Ten Questions for House Speaker Paul Ryan," January 6, 2016, available at: <http://mlwiseman.com/wp-content/uploads/2015/11/Germanis2016Need.pdf>.