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The Decline in Welfare Caseloads: An Organizational Perspective

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INTRODUCTION AND BACKGROUND

In the late 1990s, the cash assistance (welfare) caseload in the U.S. was reduced by more than half. In the years since this decline, scholars and policy advocates have debated the questions of whether, and to what extent, changes in welfare policy were responsible for the reduction in caseload. Although they disagree about the magnitude, most researchers concur that Federal and state welfare policies explain a portion of the decline, in combination with favorable labor market conditions and other Federal and state policies that imposed “sticks” deterring welfare use and expanded policy “carrots” that made low-wage employment relatively more attractive than welfare receipt.

Scholars have yet to fully explore the related question of “how” welfare policy may have affected welfare participation. One of the most striking features of the caseload decline is the extent to which it reflected changes in participation among needy individuals and families. Between 1994 and 2002, the welfare caseload declined by an estimated 46 percent relative to the population of pre-transfer poor families with children (Meyers et al. 2005). In other words, welfare participation declined much more dramatically than financial needs.

The mechanisms through which welfare policy affected welfare participation remain poorly understood. The literature on participation in public programs, more generally, suggests that the probability that individuals receive benefits is influenced by both formal eligibility rules and the organizational processes governing claiming processes (see Remler and Glied 2003 for recent review). The impact of eligibility rules on the size of the potentially eligible population is relatively easy to predict and observe. Measuring the impact of organizational processes on the likelihood that eligible individuals take up benefits is more challenging. Take-up rates are sensitive to how claims are processed – from the dissemination of information about program benefits to the difficulty, stigma, time, and uncertainty associated with claiming benefits – and these processes are difficult to observe and analyze.

Given the overriding concern of policymakers for containing welfare caseloads, the question of how organizational processes affect the take-up of cash benefits has excited relatively little interest among scholars over the years. It has taken on greater urgency in the wake of the dramatic decline in the welfare caseload. In the absence of detailed knowledge about whether and how processes in local welfare offices affected participation decisions, observers have advanced competing narratives about the influence of welfare reforms in the 1990s. In the first, welfare reform is credited with shifted the “culture” of local welfare offices toward concrete services, individualized assistance and consistent signals that supported employment and self-sufficiency outside the welfare system. In this narrative, local welfare offices transformed their service technologies from a focus on “eligibility compliance” to a focus on “employment support,” providing new forms of assistance that helped TANF applicants and recipients substitute employment for welfare receipt. In the competing narrative, welfare reforms shifted local offices toward more aggressive deterrence of welfare claims. In this version, local welfare agencies increased their scrutiny of claims and the “hassle factor” for applicants and recipients enough to force them out of the system regardless of their employment prospects.

In this paper, we attempt to inform this debate by examining in some detail what local welfare offices in eleven local sites were actually doing in the years following welfare reform. What services were they providing and how was service provision organized? How were they allocating staff resources and time? How were they processing claims for TANF? Based on our observations about these organizational structures and processes, we consider the question of how front-line service practices in welfare offices may have contributed to caseload declines.

We conclude that it is likely that processes in the welfare offices did contribute to caseload declines in the 1990s. But work processes in the welfare offices during this period did not undergo a radical or even major transformation. Instead, front-line workers in welfare agencies did more but “more of the same” in the years following welfare reform. By using their existing service technologies to enforce compliance with more demanding eligibility conditions, public welfare agencies increased the difficulty and uncertainty of obtaining cash assistance.

Framing the Question: A Model of Governance

This analysis draws from an emerging literature that examines linkages among organizational structures, management practices and social policy outcomes.

It is a truism in the field of Public Administration that the public officials who enact policy do not fully control the agencies that deliver them. This is particularly true in social programs, in which local programs and staff exercise substantial discretion in program delivery (Hasenfeld 1983; 1992). Close study of the implementation of public welfare (e.g. Lipsky 1980; Meyers and Dillon 1999; Lurie 1991), special education (e.g. Weatherley and Lipsky 1977), prison rehabilitation (e.g. Lin 2000) and other social programs has demonstrated the extent to which public policies are elaborated and modified during implementation. Public managers routinely make decisions about agency structure and process, from how new policy directives will be incorporated into existing routines to how staff will be deployed for their achievement. Front-line staff routinely make decisions about the management of day-to-day work demands. Although these decisions are usually studied as aspects of public management, it is equally important to consider their contribution to public policy. Organizational structures and management process both reflect local interpretation of policy and shape critical aspects of its delivery. In this sense, they are integral links in the enactment and ultimate impact of public policy.

Although the importance of organizational processes for policy outcomes is clear, theoretical and empirical scholarship that clarifies the link between organizations and policy remains limited. In one effort to move the theoretical foundation for these questions forward, Lynn, Heinrich and Hill (2000) suggest a hierarchy of relationships through which public preferences, or the public interest, are translated into policy outputs and results. Borrowing from this model, it is useful to think of policy enactment as a nested set of relationships - from public preferences to legislative choice and policy authorization (through statute, budgets, administrative rules and other policy tools); from this authorizing structure to program management and delivery structures (e.g. agency structures and budgets, human resource and contracting policies) and management practices (e.g. performance and accountability procedures, staffing structures); from these

organizational structures to the core technologies, patterns of work, forms of service delivery and interactions with applicants and clients; and from these mechanisms of service delivery to policy outputs (e.g. the type, quality, quantity and costs of services) and results (changes in client behaviors and circumstances). In the idealized model of a democratically controlled governance system, these policy outputs and results influence subsequent legislative choice through the feedback of public and stakeholder preferences.¹

These relationships are not unidirectional but recursive. Legislative selection of program management structures, for example, reflects both policymakers' efforts to impose legislative preferences on programs and a process of political negotiation with bureaucratic stakeholders whose interests are, themselves, a product of prior political compromises. These hierarchical relationships are rendered considerably more complex by the fact that 'programs' and 'organizations' are rarely synonymous; programs are often delivered by networks of loosely-coupled organizations while individual organization or agencies provide a variety of programs. Governance relationships are also characterized by substantial discretion that is exercised at all levels of the governance process. The agency-level structures of service delivery, for example, necessarily reflect the negotiation of policy directives imposed from above (e.g., through performance standards) with the capacity and constraints of existing service technologies. To the extent that these service technologies require the exercise of judgment by front-line staff – e.g., in the awarding of benefits, imposing of sanctions, and the like -- service delivery structures will be modified in practice by the decisions and actions of what Michael Lipsky (1980) famously termed “street level bureaucrats.”

Inside the “Black Box” of Service Delivery in the Welfare Offices

In this paper we set out to describe some of the organizational structures and management practices that may have influenced the *service technologies and practices* of

¹ This corresponds to a portion of the Lynn et al. model which posits $O=f(E,C,T,S,M)$ where O equals organizational and/or individual outputs and outcomes; E equals environmental factors; C equals client characteristics; T= treatments defined as primary work processes and technologies; S equals organizational and management structures; and M equals managerial roles and structures. .

front-line workers in the welfare system during the years after welfare reform – and how these may have influenced welfare participation and caseloads in the 1990s. This analysis, part of a larger study of the front-line implementation of welfare reforms, does not formally model the relationship between organizational processes and caseload levels. It represents an initial effort to specify and describe the organizational structures and management processes that may have been relevant, and to consider their likely effect.

Our analysis concentrates on the stage of the governance process, suggested by Lynn and his colleagues, that translates legislative (or policy) choice into policy outcomes through the *structure of implementing organizations and management practices within these organizations*. In particular, we seek to elaborate the connections among organizational structure, management practices, and front-line work processes within public welfare agencies. Given the difficulty of observing, operationalizing, and analyzing measures of service delivery, these details have been missing in much of the recent research on the impact of welfare reform. In their study of the role of administrative actions on TANF caseload declines, for example, Jennings and Ewalt (2000) conclude that there is a systematic link between state-level administrative actions (measured as state-level administrators expressed priorities in areas such as emphasis on client work) and reductions in caseloads. They note, however, that these measures do not capture “procedures they have put in place to handle applicants and current recipients;” nor do they reveal “how well state goals, priorities and strategies have been transmitted to the service delivery level” (p. 135). In her study of welfare reform in Michigan, Sandfort (2000) finds evidence that variation in service model (e.g., the “project Zero” approach to full participation in employment activities), service technologies (e.g. job-search workshops), service organization (e.g. the number of contractors delivering employment services) predict policy outcomes – here measured as the share of the county TANF caseload that is employed. She notes, however, that this still leaves unanswered the question of what about these service characteristics mattered – “whether it is the increased child care and transportation, the mentoring program, the altered role of front-line workers, or the interactions in the public welfare office that stressed work (p. 155)”.

Research Questions

In an effort to examine local agency structures, management processes, and service technologies in greater detail, we make use of data from a study of welfare reform in 11 local sites in four states.² We use a combination of data from in-person interviews (with local managers, supervisors, and front-line staff); document reviews; a pencil-and-paper survey of front-line workers; and direct observation of interactions between front-line workers and applicants or recipients of TANF. We use these data to ask three sets of questions drawn from organizational and management literatures about how policy reforms in the 1990s were absorbed into the organization and management of welfare services at the local level.

- (1) What was the structure/management of services in the years after welfare reform? How did this structure allocate service responsibilities between welfare and other public organizations, and between public and private entities?*
- (2) How were human resources managed at the local level? How were staff distributed between welfare and workforce agencies? How was time spent in contacts with TANF clients distributed across agencies and service functions? What did welfare workers understand their “job” to be in the years following welfare reform?*
- (3) What were the procedures for processing TANF claims in the years following welfare reform? What were the work processes and service technologies used by front-line welfare staff during these processes?*

We return, in our summary and discussion, to the question of how these dimensions of organization and management may have influenced welfare participation and caseload declines during the 1990s.

² Rockefeller Institute of Government, State University of New York Albany. Irene Lurie, Norma Ricciucci and Marcia K. Meyers, Principal Investigators.

Background: Welfare Reform as Continuous and as Accretion

Before turning to our data, methods, and results, it is useful to review two aspects of welfare history that provide a context for understanding the response of local welfare agencies to policy reforms in the 1990s. One is that “reforms” to welfare-related programs have been nearly continuous for decades. A second is that policy reforms and program expansions have greatly increased the number and complexity of functions performed by local welfare offices.

The history of welfare in the U.S. has been ably described by a number of scholars. While the details of this history are beyond the scope of this paper, one of the most notable themes is the extent to which both specific policies and jurisdictional authority have been contested over the years. Unlike fully Federal social insurance programs, cash assistance for families (ADC, then AFDC, now TANF) is jointly funded by Federal and state governments and managed by state and local governments under Federal oversight. This shared and parochial administrative structure has produced both substantial local variation in welfare policies, and substantial intergovernmental complexity and conflict between Federal and local governments.

Even a cursory review of this history suggests that far from unprecedented, the welfare reforms of the 1990s were part of a long series of policy ‘reforms’ in welfare. Since at least the 1960s, these reforms have alternated between federal efforts to impose priorities on states, state efforts to challenge federal rules, and federal initiatives to devolve authority to states. They have established categorical funding streams and service and then restricted, eliminated, or consolidated these same funds. They have imposed detailed Federal oversight for “quality control” and fraud deterrence and then eliminated them through the block granting of funds. Over the years, various reforms have expanded eligibility, restricted eligibility, and imposed changing employment, income, asset, family composition, nativity, and other eligibility tests on potential clients. They have vacillated between policies that made the welfare system more generous and service-oriented and those that made it more restrictive and punitive.

During these same years, Federal lawmakers were also creating and subsequently reforming other programs that are administered jointly with state and local welfare systems. State welfare agencies assumed responsibility for the federal Food Stamp program – began as a pilot program in 1961 and expanded nationally in 1967. They began partnering with the Federal DHHS in the administration of the Medicaid program, created in 1965 and linked directly to AFDC eligibility. The creation of the State Child Health Insurance Program (SCHIP) in added another program that, depending on the state, is delivered within or alongside Medicaid. Beginning in the 1970s the Federal government also began working with states to enforce the collection of child support from absent parents and as of the 1988 FSA, formally required states to integrate child support efforts into their eligibility for AFDC receipt. In the 1970s, Federal lawmakers established new funding streams and new program requirements for state-managed child protection and child welfare services. Federal funding for state-managed child care subsidy programs expanded modestly starting in the 1970s and more dramatically as part of AFDC employment programs in the 1980s. The history of state and federal reforms in each of these programs – expanding and contracting eligibility, increasing quality control requirements, modifying allowable services, and imposing a variety of income, asset, employment, and other eligibility tests – easily rivals that of AFDC.

The history of nearly continuous policy change in welfare-related programs, contested authority between federal and state governments, and expansion of Federal programs administered jointly with states, is important for understanding the organizational dimensions of the 1990s welfare reforms for at least two reasons.

First, while the policy changes under the PRWORA were very consequential in changing both the basis of eligibility and the structure of Federal funding for cash assistance, for managers and staff in local welfare agencies the reforms of the 1990s were *part of a long and nearly continuous series of state and federal changes in cash assistance, Food Stamps, child care, and health insurance programs.* They have imposed a nearly continuous demand on local welfare systems to absorb and adapt to new – and oftentimes short-lived -- policy initiatives.

Second, these program and policy changes have greatly expanded the responsibilities of state welfare systems that were established, initially, to address the

relatively straightforward goal of providing cash assistance for children and their parents. Overtime, *there has been an accretion of functional responsibility for delivering and/or coordinating services and oversight of welfare clients.* Some of these responsibilities involve processing claims and benefits directly, e.g., for cash assistance, Food Stamps and Medicaid/SCHIP. Over the years, this claims-processing has grown more complex with the addition of specific rules governing eligibility (e.g., the treatment of earned income and the exclusion of immigrants from some but not all forms of assistance) and new behavioral tests for initial and continued eligibility (e.g., participation in employment activities). Other expansions of functional responsibility involve processing claims for assistance paid for by the welfare system but provided by other entities, such as child care. Still others involve the conditioning of TANF (and in some cases, Food Stamps and child care) eligibility on cooperation with programs managed by other agencies, including child support enforcement and child welfare services. As new functional responsibilities have been added to the welfare system, and few have been eliminated, the task of running local welfare systems has grown considerably more complex.

METHODS

Sample

This study focused on organizations at the center of the 1990s welfare reforms: public welfare agencies that administer TANF and the associated workforce agencies that provide employment services to TANF clients and applicants. Data were collected at 11 local sites, in four states, in which a “site” was defined as a public welfare agency and its associated workforce program(s). The four states – Georgia, Michigan, New York, and Texas – were purposively selected to maximize variation in policy and administrative designs. Local sites were selected within states, to the extent possible, to include urban as well as rural locations. An observation sample of individual workers within each welfare and workface agency was randomly selected from a sampling frame constructed from staff rosters collected in each site; the sampling frame included all staff who had direct, in-person contact with TANF applicants or clients.

Data

Data were collected between 1999 and 2000. In the first round of data collection, we conducted semi-structured interviews during 3-4 day site visits in each of the 11 sites. Interview data and notes were transcribed into text files for analysis. To increase the accuracy of our interview data we triangulated between respondents to the extent possible, i.e. posing the same question(s) to multiple respondents. We supplemented interview data by reviewing relevant management documents, including policy transmittal letters, interagency contracts, personnel policies, management information documentation, policy manuals, training manuals, and standardized documents and forms used to track and monitor agency clients.

An anonymous, pencil and paper survey was used to collect information from all frontline staff who had direct, face-to-face contact with TANF clients or applicants in the welfare, employment, and child care agencies. The survey elicited staff responses to questions about their understanding of the primary program goals for their office, their receipt of training in the prior 3 years, the extent of supervision and performance rewards, and the extent of professional judgment they were expected to exercise in their work with clients. A total of 257 surveys were returned, for a 72.6 percent response rate overall.

Front-line staff in our sampling frame also completed a brief survey regarding their allocation of time each morning and afternoon of a “typical week.” Staff were asked to indicate for each half-day period the approximate number of hours during which they had direct contact with individuals who are applying for, receiving, or had exited the TANF program, and whether this contact was in person or by phone. Staff who worked with clients from multiple programs were asked to indicate the approximate share of the contacts that involved TANF applicants or clients. Data from the staff surveys were then compiled to estimate the average weekly “encounter time” for staff in each position in the organizations in the site.

Because neither interviews nor surveys give a complete and unbiased picture of the practices of frontline workers, the primary data collection method for the study was

direct observation of workers in their encounters with their clients. Our goal was to collect detailed information about the content of face-to-face encounters between front-line workers and people applying for or receiving TANF assistance. To collect a representative sample of these encounters, we developed a quota sample based on the amount of time workers spent in face-to-face contact with TANF clients or applicants. After determining the quota of hours to be observed within each position in the site, individuals within each position were randomly selected for observation and their encounters were observed until the quota was reached. Although the unit of data collection and transcription was an “encounter” between a front-line worker and a TANF client, the sampling and analysis unit was time. When weighted, data from this sample are representative of *activities that occurred during the average weekly hours direct, face-to-face contact between front line workers and TANF clients* in each site. This sampling approach allows us to generalize our findings to the entire site without biasing estimates by the type of staff, encounter, or client observed.

Direct observations were conducted by Research Assistants in each of the sites. Field Research Assistants were recruited from local graduate programs. In two states (Texas and Michigan), and one New York agency (the DOL in Suffolk County), the entire encounter was tape recorded. Research Assistants also completed a standardized Encounter Form for each recorded interview that provided background information on the characteristics of the worker and client, the reasons for the encounter, and other contextual information. These interviews were subsequently transcribed by professional transcriptionists, with indicators of elapsed time in 10 minute intervals. In one state (Georgia) and the remaining agencies in New York, we were unable to obtain permission to tape record encounters. In these sites, Research Assistants completed the Encounter Form and took notes on the conversation between the worker and the client and subsequently transcribed their written notes.

A total of 933 transcribed “encounters” and encounter sheets were assembled into a text database (AtlasTi) for coding and analysis. Each encounter was maintained as a separate file containing information from the encounter sheet and the transcription of the exchange.

Analysis

To answer our first set of questions regarding the structure of local services, we draw on organizational documents (including organizational charts, contracts, and policy manuals) and data from face-to-face interviews with program managers and staff in each site.

To answer our second set of questions regarding the use of human resources, we begin by analyzing the distribution of staff by agency using data from agency staff rosters. For this and other analyses of staff effort, we consider only those front-line staff who were identified as having direct contact with TANF clients, including receptionists, eligibility or caseworkers, and those providing specific employment, child care or other services. We analyze the distribution of direct “staff contact time” with TANF clients by agency using data from the survey of staff time, adjusted for the number of staff in each position in the agency. To analyze distribution of staff/client contacts by function, we code each of observed “encounters” by primary purpose. Although staff/client encounters might have multiple purposes in practice, each was coded for its primary purpose as (1) an initial application or recertification for TANF, Food Stamps, or Medicaid; (2) an initial application or recertification for child care assistance; (3) employment preparation services including orientations, individual assessments, job search or related activities; or (4) other meetings for fraud investigation, monitoring of participation, conciliation of sanctions, or other purposes.

To analyze the characteristics of front-line jobs, we draw on data from direct interviews with program managers, supervisors and front line staff that posed questions about how respondents understood the goals of policy officials in their state (e.g. “the main message that you have received from policy officials about the goals for welfare reform in this state”); the performance measures or objectives against which the agency and its staff were measured (e.g. “how policy officials define the success of welfare reform for your office”); what they considered their priorities for daily work (e.g. “what always gets done”), what dimensions of performance were monitored by supervisors (e.g. “what your supervisor considers a “good job”). We supplemented these interviews with

reviews of formal performance standards, supervision and monitoring procedures, and staff performance evaluation criteria.

To answer our third set of questions about the structure and process of TANF eligibility determination, we “map” the intake process in a sample of four sites that capture variation across the total sample of sites (the process was standardized across sites in states other than Georgia and New York).³ Data on the components of the intake process were collected during in-person interviews with program managers, supervisors, and front-line staff. Respondents were asked to describe, in detail, the steps through which a welfare application was processed. The notes from these interviews were used to construct flow charts and detailed narratives about the intake processes. To verify the accuracy of these charts and narratives, transcribed “encounters” from each of the sites were coded to count the occurrence of (1) mandatory referrals, (2) required documents, and (3) other intake activities. Illustrative examples of staff-client exchanges are also drawn from the encounter data.

To the extent possible, we try to identify all the steps in a “typical” welfare application. Because individuals who are applying for welfare are often at a point of economic desperation, many do not fit the “typical” profile. They may be homeless or facing eviction, fleeing an abusive relationship, dealing with their own or a child’s illness, or caring for grandchildren or other relatives. Other applications are complicated by applicant characteristics or circumstances. Because it is impossible to describe all the variations that arise in these situations, we restrict our description to the (relatively) less complicated process that would be encountered by a potentially employable individual applying for cash assistance for themselves and their children.

Cautions and Limitations

This study focuses on public welfare agencies and their associated workforce programs that serve TANF applicants and recipients. This is a somewhat artificial

³ Eligibility for Food Stamps and Medicaid are assessed during these same intake processes, but applicants for these programs alone – i.e., without TANF cash assistance – do not face the same application requirements. For the purposes of this analysis, we focus on the activities and requirements associated with a TANF application.

construction. These agencies represent only a subset of all welfare and human services programs that serve low income families in local communities. And the TANF program is only one of several that may be administered by local welfare and workforce agencies. Welfare agencies also serve, for example, individuals who receive only Food Stamps or Medicaid benefits; with declining TANF caseloads, these cases represent a growing proportion of the caseload for these agencies. Many of the workforce agencies in our sample also provided multiple services to multiple populations. Because we are interested specifically in the effects of “welfare reform” during the 1990s, we try to the extent possible to isolate data on the staff, clients, and activities that were funded and governed entirely or in part through the TANF program.

Data for this study were collected between 1999 and 2000. This was long enough after the passage of the PRWORA and state welfare plans to allow us to observe welfare reforms that had been fully implemented at the local level. As the earlier discussion suggests, however, reform is nearly continuous in the welfare program. Some of the program activities that we describe were undergoing modifications even as we observed them; others have been changed since that time. This was a point-in-time study. Although we discuss some aspects of local practice in terms of changes resulting from welfare reform, these comparisons are based on the observations of our respondents and on our own prior research on welfare programs. We do not have “before” and “after” observations for these sites.

Throughout this paper we use the term TANF “client” to refer to individuals who were applying for or receiving TANF cash assistance. This too is a moving target. Some individuals who we observed arrived at the welfare office intending to apply for TANF but decided instead to apply only for Food Stamps or other assistance; others had received TANF in the past but had transitioned to Medicaid- or child care-only cases; still others never succeeded in obtaining TANF benefits. We include observations on all of these individuals in the spirit of capturing the broadest possible sample of those affected by welfare reform.

FINDINGS

Structure: The Organization of Responsibility in Local Welfare Systems

Our first questions concern the structure of services in local welfare systems and the implications for services delivered within and beyond public welfare agencies. Although welfare reforms are often assumed to have changed activities and services *within* public welfare agencies, our observations suggest that the most substantial change was in the interagency structure of welfare-related services. In the four states we observed, functions were shifted outside the public welfare agencies through administrative reorganizations and contractual arrangements with other public and private organizations. This had the effect of increasing the extent to which service delivery for TANF clients – including claims processing -- involved joint production processes within interorganizational networks.

One of the most important institutional changes in Federal welfare policy during the 1990s was the devolution of authority over program activities - downward from Federal to state and local authorities, and outward from public welfare agencies to other public and private entities. Under the TANF block grant, states were given considerable latitude to allocate funds across program functions and move functions outside of traditional public welfare agencies. Although states were prohibited from privatizing core claims-processing functions in Food Stamps and Medicaid, they were free to develop their own administrative structures for welfare cash assistance, child care, and employment support services.

This devolution of authority accelerated a process, already underway in many states, of institutional separation of cash welfare, employment services, and child care services.⁴ Of the 19 state TANF programs studied by Nathan and Gais (1999), for example, 10 are now relying more or less entirely on employment departments or commissions to deliver the employment and training portions of the TANF program;

⁴ By removing federal prohibitions and disincentives to the non-profitization, and for-profitization of welfare services, the PRWORA also accelerated the shift of activities from public to private auspices.

another four have established a system of joint implementation between the welfare and employment agencies.⁵

In the four states in which we observed, rather than expanding services *within* traditional welfare agencies, state policymakers and administrators moved functions *out* of the welfare system during the 1990s through new administrative, contractual and referral arrangements.⁶ As summarized in Table 1, all four states in this study institutionally separated – to varying degrees – responsibility for the administration of welfare (along with Food Stamps and Medicaid), employment services, and child care assistance.⁷ All retained responsibility for processing welfare-related claims within the public welfare department and relied on other public and/or private workforce agencies to manage new or expanded employment, child care and other services.

<< Table 1 >>

The structural separation of service functions in these sites shifted the boundaries of the welfare program outward from single-agency programs to network-based service delivery systems. These networks were rendered even more complex by the reliance – by both public welfare agencies and workforce agencies – on other community organizations to deliver specialized services that were funded and/or mandated by Federal and state welfare reforms.

Texas provides a particularly interesting example of the resulting interorganizational complexity at the local level (Figure 1)⁸. Texas welfare reforms continued prior state efforts to downsize and privatize public services. Responsibility for

⁵ Arguably the most dramatic reorganization of welfare services occurred in Wisconsin, described in Mead (2004).

⁶ One of our local sites, Bibb County Georgia, did expand the direct delivery of some services, including work experience programs and child care. Program operations and, arguably, impacts on caseloads were also different in this site. This is described in Meyers et al. xxxx.

⁷ Albany County, New York, did the least to separate welfare and employment services. The public welfare office retained responsibility for developing client employment plans and monitoring employment activities; referrals were made to other programs only for specific employment and training services. The public welfare agency also processed claims for child care assistance.

⁸ The network of local organizations was similar in other states and sites, with some variation in the location of child care referral services; the extent to which supervision of TANF employment participation was provided by the welfare or workforce agencies; and the number and type of other public and private organizations with whom the public welfare agencies had formal ties.

processing TANF and related welfare claims was retained in regionally-managed offices of the Department of Human Services (DHS). Beginning in 1995, employment services were moved from the public welfare system to the Texas Workforce Commission (TWC) and managed locally through a decentralized system of quasi-public Local Workforce Development Boards (LWDB). LWDBs contracted, in turn, with local non- or for-profit agencies to manage employment services. Child care benefits were also administered through the state TWC and LWDBs that set local reimbursement rates, parental co-payments, income eligibility thresholds and other policies. LWDBs recruited local contractors to work with child care providers directly and to process child care claims.

<< Figure 1 >>

A portion of the network of public and private agencies that provided services to TANF clients is illustrated in Figure 1. (Because our focus of study was on the welfare and workforce system, this does not capture other hierarchical and contracting relationships with, for example, child welfare, public health, and employment services agencies). In the three Texas sites we observed, the regional Departments of Human Services were responsible for processing TANF, Food Stamps and Medicaid claims. These welfare agencies did not provide employment, child care, or other services directly.⁹ As a part of their claims processing procedures, however, these agencies were required by state policy to refer TANF clients to local workforce agencies (employment service contractors) for enrollment in mandatory employment preparation activities. They were also required to refer TANF clients to various other entities for services that were made mandatory (for some or all applicants) as a part of the Texas welfare reform plan: to local nonprofits for parent education; to child support enforcement agencies for paternity establishment and assignment of child support payments; and to public child welfare and public health agencies, as needed, for services such as drug and alcohol

⁹ Although local welfare offices in Texas had been instructed to institute Resource Rooms on site to provide up-front welfare diversion and employment services to TANF applicants, these Resource Rooms were not used in practice. Welfare and workforce agencies were co-located in one our local sites such that welfare claims processing and employment services were provided in the same building. They remained administratively separate, however, linked only through client referrals.

treatment. DHR staff made other mandatory referrals to cash assistance programs – most notably SSI and UI – for which applicants might be eligible.

Workforce agencies, which operated alongside but in non-overlapping catchment areas with the regional DHR agencies, were governed separately by the local WDBs. These contracted agencies – including nonprofit organizations, public employment services agencies, and private for-profit contractors – were responsible for delivering services and enforcing mandatory participation in employment activities for both applicants and clients. They provided various short-term activities directly, ranging from employability assessments to job search planning, resume preparation, employment skills workshops, and job fairs with local employers. They referred eligible TANF clients to community resources for other services such as GED classes, vocational or other training. They also referred applicants/clients to local child care service contractors (also governed by the LWDBs) that were responsible for recruiting and certifying local child care providers, processing client applications for child care assistance, and processing provider reimbursements.

The Texas case is illustrative of the organizational complexity in each of the four states and eleven local sites that we observed. The 1990s welfare reforms did not radically alter the services provided directly by public welfare agencies in any of these states. Public welfare agencies did not develop new in-house employment services, mental health or other counseling programs, child care services, or the like.¹⁰ Processing claims for cash assistance, Food Stamps and Medicaid continued to be the unique responsibility, and primary client service activity, of the public welfare agencies.

In each of the four states, however, we saw evidence that functions had been moved out of the public welfare agencies and that these agencies were interacting with larger and increasingly complex networks of organizations in the joint production of

¹⁰ The extent to which welfare reforms created new services within local networks is uncertain. In some sites, welfare agencies had increased and formalized referral linkages with existing services – e.g. county Departments of Child and Family Services in Georgia had developed formal ties with local Departments of Labor to provide employment assistance. In others, new mandatory services had been added for some or all TANF applicants/clients – e.g., Texas referred parents with young children to nonprofit parent education programs. In others cases, however, services formerly provided by the public welfare agency had simply been shifted to different organizations. Workers in Texas, for example, described the structural separation of welfare and employment services as a shift of personnel and activities – even written policies and procedures – from the existing JOBS program in the welfare agency to newly-created employment services administered under contract by Lockheed-Martin.

services for TANF clients. Although local agency staff used the language of “referral” to describe the coordination of client services with other organizations, these linkages may be more accurately characterized as sequential client processing. As we describe in more detail below, the “referrals” made by local welfare agencies were generally mandatory for TANF clients; initial and continued eligibility was contingent on attendance at required meetings and activities. Staff in the public welfare agencies not only “referred” TANF clients to these meetings and activities, they were required to verify their compliance in order to begin or continue TANF assistance. Workers were dependent, in other words, on information obtained from clients or other agencies to complete their initial and ongoing claims-processing tasks.

What were the consequences of these structural changes for front line service practices in the welfare offices? Not surprisingly, when we asked front-line workers in the welfare agencies about the most important changes brought about by welfare reform, they frequently cited the increase in claims-processing time and complexity: “Our job is harder, we got more to do”¹¹ or “More work... fewer staff... more questions and information to provide”¹² or “More confusions, more forms to fill out”¹³

As described by a manager in Suffolk County New York: “There is an increasing complexity. It takes 30 percent more time to get a case through. We are looking at many more rules. Many more referrals You have to work with more agencies. If they have a substance abuse problem you have to refer them to Sub Abuse. If they have mental health problems they will be referred to the mental health agency. You have a situation of increasing complexity in relations with other agencies.”¹⁴

Management: The Distribution and Functions of Human Resources

Our second set of questions concerns the distribution of human resources – both staff and staff time spent in contact with TANF applicants/clients – across agencies and functions within the system of welfare and workforce agencies. Consistent with the separation of welfare and workforce agency responsibilities in most sites, our

¹¹ Fulton County Michigan FIA interview 1/5/99

¹² Denton Texas, DHS 8/13/99

¹³ Grand Prairie Texas, DHS 8/14/99

¹⁴ Suffolk County DSS interview 7/14/99

observations suggest that front-line staff specialized in either welfare claims-processing or employment services. *Despite the increasing policy emphasis on encouraging and supporting employment, however, the large majority of staff continued to work within the public welfare agencies and the majority of TANF applicant/client encounters with local agencies continued to be for the purpose of processing welfare claims.* When asked to describe the goals and priorities of their work, front-line workers in welfare offices emphasized welfare claims processing as the over-riding priority for their work, and the area of performance most likely to be monitored by agency supervisors.

Given new flexibility under PRWORA, states and local welfare agencies were free to redesign front-line staff positions within the welfare office – and to create new front-line positions outside of public welfare agencies through contracts with public and private organizations. Human resources are among the largest and most important resource that local agencies manage in the delivery of social program. In human services programs, the front line staff, and their direct interactions with applicants and clients, also constitute the core of the service technology. If welfare reforms brought about substantial changes in the service technologies of the public welfare systems, we would expect to observe this in their allocation of staff to new functions and in performance monitoring and reward systems that encouraged attention to these functions.

The states we observed had taken steps to change the titles and, in some cases responsibilities, of front-line staff in the welfare offices. Texas renamed its eligibility workers as “Texas Workforce Advisors.” Georgia created new positions that combined responsibilities formerly split among TANF, Food Stamps, Medicaid & JOBS workers. In Michigan, the position of front-line eligibility worker in the welfare office was divided into two new positions: that of an Eligibility Specialist (ES), who processed claims for Food Stamps and Medicaid only cases, and that of a Family Independence Specialist (FIS), who processed claims for TANF and related benefits. FIS workers had smaller caseloads and higher salaries than ES workers; they were also expected to engage in more intensive client counseling and case management, during both office and home visits, in order to promote employment and remove “barriers” to self sufficiency outside of welfare.

Although the structural separation of services had increased the involvement of workforce agencies, and welfare staff were given new titles, our observations suggest that the traditional tasks of welfare claims processing continued to dominate front-line work processes in local welfare systems. Figures 2 and 3 compare the allocation of all staff positions, and the allocation of hours of direct staff contact time with TANF clients, between welfare and workforce agencies in the four states. Despite state-to-state differences in the organization of services, the distribution of staff resources across states was remarkably similar. Welfare offices continued to employ about three quarters or more of all staff who had direct contact with TANF applicants and clients. Considered in terms of hours of contact time with applicants and clients, between about 75 and 90 percent of this time was provided by staff in the welfare offices.

<< Figure 2 >>

<< Figure 3 >>

This suggests that most of what was being delivered to TANF clients was being delivered by staff in the public welfare offices. To assess the nature of their contacts with TANF clients, Figure 4 compares the distribution of staff/client “encounters” or meetings – in both the welfare and workforce agencies -- by the primary purpose for these encounters. Meetings between staff and clients could serve multiple purposes; an application for TANF may include an application for child care or a meeting to provide job services may include monitoring of clients’ compliance with employment requirements. In this comparison, we are primarily interested in broad distinctions between meetings to process claims (for welfare and related programs) and those for the purpose of providing employment services.¹⁵

<< Figure 4 >>

¹⁵ Estimates based on weighted distribution of encounters. Encounters coded “other” or “missing” are set to missing for this analysis. Encounters include individual meetings and group sessions. Group sessions were most common in workforce agencies for orientations, workshops, supervised job clubs and the like. Of all the encounters in our sample, about 7 percent were group meetings with an average of 7.5 TANF applicants/clients in attendance. This analysis does not adjust for the number of individuals in the group meeting. This analysis also does not adjusted for repeated visits by the same individual. Results cannot be interpreted directly as the probability that clients “encountered” various functions in the welfare system.

The large majority of total staff encounters with clients were for the purpose of applying or recertifying eligibility for welfare and related benefits. This accounted for nearly 70 percent of all meetings; meetings devoted specifically to employment preparation accounted for about 18 percent of the total across the states. The primary purpose for these encounters was specialized by agency type. Depending on the state, encounters in the workforce agencies were for the purpose of employment or a combination of employment services, child care eligibility determination and client monitoring. Encounters within the welfare agencies were dominated by processing eligibility for welfare and related benefits: these accounted for 75 to 100 percent of staff encounters with clients in three of the states. The primary staff encounters in the Georgia welfare offices were for processing welfare (56 percent) or child care (20 percent) claims. Far fewer staff encounters in welfare agencies were for employment preparation – from none in Texas to about 17 percent in Georgia.

The distribution of staff, staff time with TANF clients, and staff encounters with TANF clients suggests that claims processing in public welfare agencies continued to dominate service delivery in these local sites. It is worth asking, therefore, what these workers thought their jobs entailed.

Although given new titles and responsibilities, front-line workers in the welfare offices rarely described their jobs as having changed substantially in the years following welfare reform. In open-ended interviews, welfare agency managers often described dramatic transformation in the responsibilities of front-line workers. In Michigan, for example, one local manager described supporting employment as the overriding goal for his staff: “The only string on the TANF funds is employment. There is no standard of promptness. No error rate. Staff say we can’t control that. But I say, then why are we here? If we have no role in employment, why are we there?” In Georgia, a manager described the transformation of staff in equally dramatic terms: “It’s a whole culture change..... They have gone from being eligibility workers to partners, counselors, referral agents.”¹⁶

¹⁶ Fulton County NW Georgia, DFCS interview 1/4/98

Further probing with managers and front-line staff suggested a different story, however. When asked to describe the day-to-day priorities for his staff, the Michigan manager acknowledged that “getting a [welfare] case open” was the most important task. What workers let slide, according to supervisors and front-line staff in the agency, was the counseling, the home calls and other direct client contact designed to remove barriers to employment. Nor was extensive employment counseling described as appropriate for new applicants who came to the welfare agency because “they have a need. They need food. They need money.” Likewise, in Georgia, what the agency manager described as a transformation in the role of front-line workers, the workers described as an increase in their workload: “More to do. Plus once you get them into some activity, it’s hard to keep them there. It’s hard to monitor their compliance. That’s the hard part. There’s just a lot more to do.”¹⁷

The emphasis on claims processing was echoed repeatedly in our study sites. Supervisors and workers repeatedly described the day-to-day priorities of their work as “Getting a [welfare] case open,” or “Managing service delivery” or “Timeliness. Ninety six percent accuracy in casework.....” or “Get work done on a timely basis”¹⁸ or “Standard of promptness.”¹⁹ Only in Georgia did supervisors include “participation rates” along with “error rates” as day-to-day priority for workers.²⁰

Front-line workers sometimes voiced complaints that they did not have more time and training to do casework with TANF clients. But most saw their job in terms of traditional responsibilities for claims processing. As one worker in Michigan described it, her job was getting benefits and emergency assistance to clients; getting clients to work was the job of the local Work First! Agency: “That is their problem. That’s their issue. When a customer is referred to Work First, determining that they participate 25 hours a week is their responsibility.”

The priority given to claims processing was also evident in the performance standards and supervisory practices of the welfare agencies. In all of the local sites, these standards held workers accountable for meeting “standards of promptness” for case

¹⁷ Fulton County NW Georgia, DCFS interview 1/5/99

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¹⁹ Wayne County Michigan FIA interview 1/21/99

²⁰ Fulton County NW Georgia, 1/5/99

openings and for errors in claims processing. With the exception of one state that tracked TANF clients' participation rates (Georgia), there was no formal monitoring or supervision of workers' provision of services, referrals to other services, or efforts to promote employment and welfare exits. As a worker in Michigan told us, performance ratings relied on measures that had were carried over from AFDC and Food Stamps policies: "It's all based on your stats. Whether or not you've opened cases on time. How you deal with clients isn't part of it. Quantity isn't a part of it. She [supervisor] will come around once a month and check how many clients you have working. But as far as rating your performance on that it doesn't matter. ."²¹ In this agency, as in the others we visited, the management information systems did not track and report the employment status of workers' current or former clients. Workers' were aware of clients' employment status if and when they reported changes in earnings.

A more formal indication of workers' perceptions of their "job" is provided by their responses to survey questions asking them to indicate whether their performance was supervised on three dimensions of client services: processing TANF claims, assuring that clients received child care services, and providing employment assistance.²² Among workers in the welfare offices, 75 percent indicated that their performance on TANF claims processing was monitored – in contrast to fewer than 30 percent who believed that they were supervised in their provision of employment support.

Service Technology: The Welfare Claims Process

Given that most staff who were delivering welfare and welfare reforms were in the public welfare agencies, and that most of their encounters with TANF clients were for the purpose of processing claims, what transpired during these encounters is arguably the core of services provided through the welfare system. Our third set of questions concerns the characteristics of claims-processing in the years following welfare reform – specifically, procedures for processing new applicants for TANF assistance. In the four states we observed, the already demanding intake process for cash assistance was further

²¹ Hillsdale Michigan FIA interview, 3/4/99

²² Responses were coded as 1 if respondent indicated that she was supervised in this area and as 0 if it was not part of her job responsibilities or her performance in this area was not supervised.

elaborated in the 1990s to add new documentation, procedural, and participation requirements for TANF applicants. For the front-line workers, enforcing compliance with these requirements – as a condition of welfare eligibility – constituted their primary form of contact and service delivery with TANF clients.

PRWORA gave states the authority to modify their rules and procedures for determining eligibility for the TANF program. Beyond a requirement that these processes enforce Federal eligibility tests, treat all applicants fairly and equitably, and conform to Federal standards of promptness for eligibility determinations on Food Stamp and Medicaid applications, states had considerable latitude to design new procedures for processing and determining welfare eligibility.

In the four states we observed, policymakers had used this flexibility to add new conditions and requirements for TANF receipt.²³ Although specific procedures varied, the basic elements of the welfare application process were similar across the 11 sites, as illustrated in Figures 5 to 8. (A more detailed summary of the process is provided in Appendix 1). Four characteristics are particularly notable.

First, each of these sites had developed a multi-stage application processes that required most TANF applicants to appear in person for meetings at both the public welfare and workforce offices. The process typically involved at least three meetings – first, to obtain a TANF application; second, to meet with a welfare eligibility worker to document personal, family, employment, and other circumstances; third, to meet with workforce agency staff for an orientation and/or individualized employment plan. For most applicants, it was likely to involve additional meetings at the workforce agency and with other agency staff (e.g., child support, public health). TANF applications were “pending” by welfare staff, i.e. held without a decision, as applicants obtained necessary documentation, completed required meetings, and attended mandatory activities. If applicants failed to complete these requirements, their application were denied or “closed” without a formal eligibility determination.

Second, each of the sites had “hard-wired” contacts with employment services. In 10 of the 11 sites, this was done through mandatory referrals to the workforce agencies.

²³ These conditions did not affect individuals applying for Food Stamps, Medicaid, or child care without TANF assistance.

These referrals did not depend on the judgments of workers (because nearly all applicants were sent for at least an initial orientation) or the preferences of applicants (because these activities were mandatory). Once referred, new applicants were typically required to attend group orientations and/or individual employment planning sessions; in most sites, they were required to continue attendance at employment activities -- such as supervised job search or job readiness classes – while their applications for TANF were being processed.

Third, employment referrals were one of many requirements that welfare workers were responsible for enforcing with TANF applicants. Front line workers collected and verified extensive information on applicants' circumstances. As part of this verification process, applicants were required to collect and return not only personal documents but a variety of documents from other agencies and individuals – their landlords, family members and neighbors, previous employers, children's school officials and doctors. In addition to collecting and verifying this documentation, front line workers made mandatory referrals to various other public and private agencies. Single parents who did not have established child support orders were routinely referred to child support enforcement agencies. Depending on state policy, an applicant for welfare might be referred for a fraud investigation (as were 86 percent of observed applicants in Suffolk County New York), to a parenting class (as were 33 percent of observed applicants in the Dallas office in Texas), for a disability or drug and alcohol screening (as were 29 percent of observed applicants in Suffolk County New York), to an appointment with child welfare services (as were teenaged parents in Bibb County Georgia), and/or to other government agencies to apply for benefits such as SSI and Unemployment Insurance.

Fourth, these activities were managed as *conditions of eligibility* by welfare staff. If applicants failed to provide required documents, attend initial or on-going activities at workforce agencies, attend parenting classes or obtain child immunizations, or show up for required meetings with child support investigators, fraud investigators, or others, their applicants were denied or closed before a determination of eligibility. If they failed to comply with these and similar requirements after their TANF cases were opened, they were subject to sanctions and/or case closure.

Policies that made TANF receipt conditional on compliance with various mandated activities gave front line workers a powerful tool for enforcing compliance with these rules. It also required them to monitor applicants' compliance as part of determining their eligibility for cash and other forms of assistance. The eligibility-compliance dimension of these activities permeated the interactions between front-line workers and TANF applicants. Workers constantly reminded clients that it was their responsibility to provide required documents, attend mandatory meetings, and participate in required activities.²⁴ They emphasized that this was a condition of welfare eligibility, as in this exchange between a Texas worker and TANF applicant [TX008]:

- W: Okay, this is one of the most important documents concerning your cases, okay?
C: Okay.
W: This shows that I am doing a Work Force Orientation referral on you, okay?
C: Mmm hmm.
W: They conduct briefings on Monday – Friday at 8:30 for FDC and TANF recipients, okay?
C: Okay.
W: You must attend a briefing before I certify the case, okay?
C: Okay.
W: Make sure when you go there that you take this form with you, okay, make sure they sign it, they put the stamp on there and put the date on there okay?
C: Okay.
W: I cannot certify the case until this is returned.

Welfare workers often reinforced the eligibility compliance message by emphasizing that they were enforcing new and non-negotiable rules. As one Georgia worker informed an applicant who had not “cooperated” because she did not provide all requested information: [GA255]

- W: I'm going to have to call [Child Support Worker]. I cannot approve a TANF case if an Employment Worker or a Child Support Worker or Child Protective Services Worker or any other agency employee has told me that you refused or that you have failed to provide them with something that they need to work out their part of your benefit. I just cannot do it.

²⁴ Front-line workers generally distinguished between mandatory activities such as employment preparation, and voluntary services available through the welfare or workforce agencies. In some cases even these voluntary services became an eligibility test. In Albany County, for example, new TANF applicants were given a form on which to identify three local child care providers that they might use; failure to return the completed form was a basis for closing the TANF application.

Front-line workers also emphasized the financial penalties that would be imposed if applicants did not cooperate with required activities [TX455]:

W: Ok. This is what we call a Personal Responsibility form and this is saying that you must insure that your child gets medical and dental checkups as scheduled through the EPSDT program. You know the program where you take the kids to the doctor and the shots and everything must be taken care of, or else, they will penalize you. What they do is penalize.

C: I understand.

W: Ok. You'll be penalized ok?

Although front-line staff in the welfare office were enforcing new policies with TANF clients during this intake process, they were doing so largely through an old service approach: enforcing compliance with eligibility requirements.

CONCLUSIONS AND DISCUSSION

What do these observations tell us about front-line practices in the welfare system? Although some observers argue that welfare reforms transformed the services of local welfare agencies, we saw little evidence of significant transformation in the work processes or service delivery practices of front-line staff. Instead, we observed restructuring and functional differentiation in local welfare systems combined with an increase in the complexity and demands of the TANF intake process. These combined to shift the boundaries of the welfare system outward, transforming the claims-processing work of the public welfare offices into a more complex, joint production process involving other public and private organizations. Ironically, perhaps, demands on front-line workers to monitor TANF client activities were increased even as these activities were moved out of the welfare office itself.

In local sites, it was the front-line workers in the public welfare offices who continued to have the primary and most frequent direct contact with TANF clients. For these workers, increasing organizational and procedural complexity resulted in having to do “more” but essentially “more of the same.” Front-line workers were doing more

because they were required to initiate and monitor a greater number of mandatory referrals as part of processing TANF claims. They were required to obtain more verifications of client activity, from the clients themselves and from a network of public and private agencies. These new responsibilities were added to their ongoing responsibilities for processing Food Stamps and Medicaid claims under rules that have, if anything, grown more complex in recent years.

Public welfare workers were doing “more of the same” because they were processing these referrals in terms of their traditional emphasis on client compliance with welfare eligibility rules. Although eligibility workers had been retitled in many of the agencies, they continued to see their primary responsibility – and the tasks that they were most closely supervised on – as processing welfare claims. Federal and state welfare reforms gave these workers new authority to enforce participation in employment activities, child support collection, drug treatment, and other activities as a condition of welfare eligibility for TANF applicants and clients. Workers incorporated these into their existing work processes, enforcing compliance as a condition of welfare eligibility.

Workers in the public welfare offices were not the only front-line workers in local systems who had contact with TANF clients. The elaboration of TANF application processes created more formal and “hard wired” linkages between the claims-processing activities of the welfare offices and employment services in workforce agencies. It also formalized linkages with other service providers. The number of staff serving TANF clients in the welfare offices continued to outnumber those in the workforce offices, however, by between 4:1 and 10:1 in the local sites we observed. Although they were not the only providers of welfare services, staff in the welfare offices remained the primary “street level bureaucrats” who served TANF clients.

Likewise, processing TANF claims was not the only form of service delivery provided by the public welfare agency staff – but it remained the most common. In addition to processing new claims, welfare staff responsible for monitoring and recertifying benefits for on-going welfare cases and, in some sites, certifying eligibility for employment services such as child care and transportation vouchers. These activities provided additional opportunities for direct contact and service provision by welfare agency staff. Our sample of direct encounters suggests, however, that meetings to

process new or recertify existing welfare-related claims were by far the most frequent forms of direct contact between front-line workers and TANF clients. They also constituted the single type of contact that was received by all individuals applying for or receiving TANF. Like a funnel, the welfare claiming process affected the largest number of individuals at the point of intake, with decreasing numbers proceeding to subsequent stages. Welfare claims processing remained the dominant form of service delivery in local welfare systems.

Claims Processing as a Service Technology

Given the conclusion drawn by some observers that welfare reform transformed services in welfare offices, it was surprising to observe how completely claims processing continued to dominate local work processes. It is possible that our sites are not representative of the transformation in other parts of the country. Mead (2004), for example, describes much more dramatic changes in front-line practices in the Wisconsin welfare system. And even within our sample of 11 local sites there was variation between those that were focused more narrowly on claims processing and those that had instituted more service- and employment-oriented approaches. We think that the processes observed in these 11 sites are probably fairly representative of the story in most parts of the country, however. Our sample states represent a range of welfare reform orientations, include both early initiators and “laggards” in state policy reform, and fall about in the middle of the national distribution in terms of caseload reductions.

Our analysis may differ from those of other researchers primarily through our focus on the usual, rather than specialized, activities of the welfare system. As research on spell dynamics in the 1980s suggested, although long-term welfare recipients constitute a small proportion of all individuals who ever receive welfare, they make up a large share of the caseload at any point in time. Although fewer in number, these long-term recipients command a disproportionately large share of welfare resources – including the time and attention of welfare staff. We suspect that in many research efforts, specialized services for these clients also command a disproportionate share of researchers’ attention. In several of the sites we observed, welfare agencies had

designed specialized staff or services to address the needs of “long term” or “hard to serve” clients. While important, these services represent only a small proportion of the total work effort in local welfare agencies, and affect only a small share of all TANF clients. In the design of this study we gave particular attention to observing a representative sample of worker/client interactions, and to collecting information on the “usual” processes through which TANF applicants and recipients were served.

So why did we observe so little transformation in the “usual” practices of the welfare agencies?

The program administrators we interviewed often attributed the failure of front line staff to embrace new case-management opportunities to the workers themselves, citing resistance to new and more demanding roles as employment “coaches” or “counselors.” An organizational lens, however, suggests a more straightforward explanation: front-line workers had not shifted their attention to counseling and coaching TANF clients because these service approaches had little relevance to the immediate task demands of their jobs.

As James Q. Wilson (1989) observes, “to understand a government bureaucracy one must understand how its front-line workers learn what to do” (p. 33). In the case of the local welfare systems we observed, front-line workers and their supervisors had learned what they needed to do during decades of welfare “reforms” that added new functional responsibilities to the public welfare system. The first and most central function of public welfare agencies remains management of claims for government assistance by discriminating between eligible and ineligible claimants. A second function was added by quality control policies, in the 1970s, designed to reduce overpayments in Food Stamps and welfare by imposing stiff financial penalties on states for erroneous determinations.²⁵ The passage of the Family Support Act (FSA) in 1988 added yet another function as welfare offices were pressed into service to enforce requirements for paternity establishment and child support enforcement. Another function – enforcing work requirements -- was added beginning with the 1970s WIN program and

²⁵ Quality control requirements were lifted from cash welfare programs by the PRWORA but remain in place for the Food Stamp program.

strengthened under successive reforms leading up to the 1988 FSA and subsequent state waivers.

Welfare reforms under PRWROA increased the functional responsibilities of public welfare offices yet again. The Federal legislation strengthened requirements for participation in employment activities, added new eligibility tests, and gave states authority to add still other eligibility requirements – from attendance at parenting classes to mandatory child care searches. PRWORA also gave states flexibility that was used, in our sites, to move some of these activities out of the public welfare agencies. The contradictory result was to increase the demands on front-line welfare workers for monitoring the activities of TANF applicants and recipients even as these activities were being moved outside the welfare agencies themselves.

Welfare reforms of the 1990s might have been implemented, in local welfare systems, through new service strategies designed to change the behaviors or opportunities of TANF clients. But welfare agencies have few resources for developing new service technologies, and most available technologies have at best modest effects on behaviors and opportunities. Public welfare agencies were able to do more, at lower cost, by concentrating their efforts on eligibility compliance. These agencies did not operationalize new welfare policy goals in terms of changing client behaviors or opportunities directly; their operational goals were to require clients to participate (in work searches, child support investigations, etc.) provided by other agencies. Their primary tool for achieving this objective was their control of financial benefits – to control receipt of cash assistance and impose financial sanctions on TANF clients. Controlling benefits and sanctions is both powerful, because program clients are dependent on these financial resources, and relatively cheap, because they can be controlled unilaterally by the welfare agency. And given the perception that the goal of welfare reform was to reduce welfare caseloads, agencies could claim success whether clients complied with mandated activities or simply “disappeared” from the caseload.

Policy, Organizations, and Caseload Declines.

The motivating question for this analysis arises from stylized debates about welfare reforms and caseload declines in the 1990s. Did welfare policies, themselves, contribute to this decline, or was it a function of favorable employment conditions and other state and federal policies? And if welfare reforms were influential, was it through assistance that enabled exits to employment or through deterrence that forced applicants and recipients out of the system?

Although this analysis cannot answer either of these questions directly, it does provide insight into how the translation of welfare policies through organizational structures and management practices may have influenced welfare participation and caseload levels.

The process of applying for welfare, historically arduous, became more demanding for claimants in the 1990s. In the sites we observed, it required multiple in-person visits to welfare and other offices; collection of considerable documentation; and compliance with a variety of more- or less-coercive activities. The process also became more uncertain. The elimination of the individual entitlement for welfare increased the uncertainty of qualifying for assistance and the elaboration of the intake process increased this uncertainty further. Welfare intake processes in each of the sites had multiple points at which an applicant's failure to comply with a rule or requirement would result in a denial of benefits or the closure of an application without an eligibility determination. In short, it became even easier to fail to qualify for welfare.

Did this process operate as a form of deterrence that reduced the number of potentially eligible individuals who completed a welfare application? Many of the staff we interviewed thought that it did. A manager in Bibb County Georgia was explicit in her assessment: "We divert close to 70 percent of people from even going on welfare. Maybe 250 that have come on the system and stayed on to Sept. 1998 since welfare reform began in January 1997 out of thousands of applicants."²⁶ In Michigan, staff at the workforce agency described attrition between initial orientations and follow-up meetings: "About 30 were at orientation... 10 showed up here. If they don't show up, I

²⁶ Macon County Georgia Interview 10/17/98

will call. But if they don't come, they won't get FIA.”²⁷ In Texas, a welfare staff supervisor responded that yes, eligibility determinations has gone done in the years since welfare reform: “I don’t have the exact numbers but I’d say yes. There is so much more that clients have to do now. It’s harder on them to get TANF. Like they have to go to TWC for a class. They have to go at 8:30 in the morning, then they get a form and bring it to us. And until they do, their application can’t be certified.”²⁸ As one worker in Michigan commented, several years into welfare reform they were less likely to sanction TANF recipients than to see new applicants disappear: “Now its more that at the point of application - they don't show up and you deny the application. Or they say that it’s too much trouble to do the FIP [TANF].”²⁹ These “soft deterrences” were rarely tracked or monitored: “They just disappeared. Some are on the Food Stamps [only caseload] with no visible means of support. We try to keep an eye on those cases. But mostly they just disappeared.”³⁰

Unfortunately, none of the 11 sites in our study tracked the progress of new applicants through the system; none could provide estimates of how many new applicants for assistance reached the stage of contact with the workforce agency, or the stage of a formal eligibility determination for TANF or other programs.

A simple thought experiment, however, suggests that given the complexity of the system, even reasonably high rates of compliance would have resulted in substantial attrition of new applicants. Although the sites varied in the complexity of their intake procedures, most required at least four in-person meetings with either TANF or workforce agency staff. If only 1 in 10 applicants failed to appear or supply required documentation at each stage, for every 100 new applicants walking through the door fewer than 75 would reach the fourth meeting and an eligibility determination. If 2 of every 10 failed to comply at each stage, the number reaching the fourth meeting would be closer to 50 percent. Obviously, as the number of requirements goes up, or the compliance rate goes down, the average proportion reaching subsequent steps and a

²⁷ Wayne County Michigan, Operation Help Interview xxxxx

²⁸ Grand Prairie Texas interview 8/14/xxxx

²⁹ Macomb Michigan, FIA interview 1/20/99

³⁰ Hillsdale County Michigan, FIA interview 3/4/99

formal eligibility determination would decrease – and the number of new applicants exiting the process before an eligibility determination would increase.

If this deterrence reduced participation in TANF, should it be interpreted as supporting employment and self-sufficiency or as “hassling” potential recipients out of the system?

The organizational and procedural elaboration of the TANF intake process had the potential to link TANF clients with a larger array of services. Although the majority of client encounters were with public welfare offices, about 20 percent of the encounters in our sample were with staff in workforce agencies. Mandatory referrals to other public and private organizations, if clients completed them, would have brought them into contact with other providers in parent training, public health, and other agencies.

In other respects, however, these changes simply made it more difficult, time consuming, and demeaning to get cash assistance. Along with potentially helpful referrals for employment and child care assistance, TANF applicants were referred for less benign and helpful encounters involving fraud investigations, mandatory drug and alcohol screening, and child support enforcement. And even supportive services, such as parent training or children’s health exams, may have been experienced as coercive when they functioned as conditions for the receipt of cash assistance.

The balance between help and hassle depends in part on the share of applicants exposed to each stage of the process. In most of the sites we observed, the claims-processing encounters were “front-loaded” with activities that had little to do with employment and self-sufficiency. Welfare applicants’ first encounters were in-person interview with welfare workers to process paperwork, receive referrals, and answer extensive and oftentimes intrusive questions about personal circumstances. Receipt of employment services required attendance one or more additional meetings at workforce agencies. As described earlier, the welfare intake process can be likened to a funnel in which all new applicants encounter welfare eligibility workers and a diminishing number have contact with service providers at each subsequent stage of the process. This virtually guarantees that all applicants will get the “hassle factor” at the welfare agency, but reduces probability that they will get the “help” from other providers.

If the process of claiming and retaining welfare was deterring applications from the welfare system, can this be considered successful welfare reform? The answer to this question depends in large part on our definition of success – and on expectations for the role of the welfare system *vis a vis* welfare claimants and the poor more generally.

Procedural deterrence can be seen as a form of service targeting. One of the explicit rationales for demanding application processes is to impose transaction costs that will deter those for whom the costs of obtaining assistance outweigh the expected value of that assistance. If the potential TANF clients who are deterred from assistance are those who least need cash assistance and employment services, the elaboration of the intake process may function to triage clients by need.

There are at least two drawbacks to this form of targeting, however. The first is the potential to deter ‘able’ clients from potentially beneficial assistance – such as child care, health insurance, or job search assistance. To the extent that supportive assistance for working families continues to be provided through welfare programs, and the welfare intake processes remains the point of entry, difficult and coercive intake processes may deter precisely those individuals who are most in need of extra assistance to maintain self-sufficiency outside the welfare system.

The second drawback is the potential to deter the least able. When intake processes create many opportunities to ‘fail’ – i.e., to exit the system due to noncompliance with eligibility tests and requirements – individuals who have the least capacity and greatest needs will be at particular risk for failing to complete the process. Client attrition from services is considered a serious problem in other health and social programs. Given the preoccupation with reducing welfare caseloads, policymakers and program managers have had little interest in getting clients *into* the welfare system. If welfare is to be provided as a final safety net, however, for those in acute crisis and those with chronic problems, maintaining an intake system that makes it easier to fail than to succeed in qualifying for assistance is both inhumane and inefficient.

APPENDIX 1

Step One: Starting the Process. New welfare applicants began the process by visiting a local welfare office, in person, to obtain an application for TANF. Reception staff provided a multi-page application form – typically a combined application for TANF, Food Stamps, and Medicaid – that required applicants to report extensive information about their financial circumstances, recent work history, living arrangements, and family composition.

Step Two: Applying for TANF. The second step in the intake process involved an in-person meeting at the welfare office, usually on another day, to verify the application information. One or more eligibility staff met with each applicant to review their completed applications and collect documentation verifying income, family, housing, and other information. TANF applicants were required to provide extensive personal and financial information at this stage; eligibility workers used written or computerized application forms to collect information about the applicants' (and other family members') place of birth, citizenship status, address and household composition, current and recent income, current and recent employment, living expenses, and so on. Much of this information had to be documented, and the eligibility worker collected, reviewed, and often copied identification and citizenship cards; birth, marriage and divorce certificates; current and recent pay stubs, bank statements, tax records, proof of income from self-employment, family members, or other sources; proof of address, rent, utility bills, and other expenses; documentation of assets such as car registrations and bank records; etc.

Applicants typically arrived for these meetings with some forms of required documentation – such as social security cards or utility bills. Other forms of verification were unique to the welfare application process and often required the applicant to make personal contact with a variety of other individuals and/or agencies and return documents to the welfare office. Those with recent employment, for example, were required to visit past employers to obtain statements verifying both their employment and the reasons for their termination. Those who received financial assistance from ex-partners or from

family members were required to obtain signed statements documenting this support. Those with young children were required to obtain medical records from their doctors and those with school-aged children were sometimes required to obtain attendance records from their children's schools. Because the housing arrangements of very poor individuals are often complicated, verifying address and living arrangement was often difficult – requiring letters or signed statements from landlords, neighbors, and relatives. When applicants had unusual circumstances, they were often required to obtain unusual documentation – probation records, death certificates, eviction notices, medical proof of pregnancy, proof of their own or their children's disability, etc. Since applicants typically arrived at their intake appointments without one or more pieces of required documentation, the eligibility worker generated lists of required documents that the applicant was required to return for her later review. Applicants were “pended” until the welfare worker received all required verification and closed without an eligibility determination if documentation was not provided.³¹

Step Three: Employment Services. In each of the 11 sites, a third step in the process involved an explicit employment component. In each site, the eligibility worker determined the applicability of the relevant employment participation requirements for new applicants. In some sites, this involved an initial assessment of employability; welfare workers in Bibb County, for example, met with each new applicant to review their current employment and education plans and devise an initial set of required activities. In most sites, however, the eligibility worker reviewed the case for the applicability of deferrals (e.g., deferrals from immediate job search for those with infants or documented disabilities) and then referred the applicant to the workforce agency for assessment and planning. Following referrals, eligibility workers were responsible for monitoring the applicants' compliance with required participation in employment or

³¹ Welfare offices are required to make determinations on welfare and Food Stamp applications within [30 or 45?] days. If applicants fail to provide all necessary documents within this period, their application will be “closed” without an official determination of eligibility. If they choose to try again after the closure, they begin the process from scratch and may be penalized for having failed to complete the prior application. While applications are “pended” eligibility workers may contact applicants to provide assistance and direction.

employment-preparation activities. The specific form of these employment activities varied considerably across the sites. For example:

- ❑ In Dallas Texas, all new applicants for welfare were required to attend a group orientation at the local workforce agency and individual follow-up sessions at which an employment plan was devised. The welfare eligibility worker “pended” the application until the applicant returned signed proof of attendance at these meetings. The eligibility worker was also notified by the work force agency if the applicant failed to follow-through on prescribed job search or other employment activities, thereby disqualifying themselves for assistance.

- ❑ In Suffolk County New York, front-line welfare workers determined which of several mandatory “referrals” the applicant would receive at the point of application. If the applicant was subject to work requirements, the worker sent her to an orientation and individual assessment meeting at the Department of Labor. If the applicant claimed to have a disability (and was not already receiving disability insurance or SSI), she referred her to the Department of Health for an assessment. If the eligibility worker suspected a drug or alcohol problem, she referred the applicant to the Department of Alcohol and Substance Abuse for a mandatory assessment. Each of these referrals could result in a plan for ongoing, mandatory activities. DOL staff, for example, developed and monitored an employment plan; if an applicant failed to attend required meetings or follow-through on required activities (such as job search or a Work-Fare placement), the eligibility worker closed or denied the welfare application. Likewise, staff at the Departments of Health or Substance Abuse devised treatment plans for applicants determined to have substance abuse problems; failure to cooperate with the plan was grounds for benefit denial.

- ❑ In Bibb County Georgia , new welfare applicants were screened for likely eligibility for assistance, assessed for employability by welfare agency staff, and given an initial employment plan on the day of initial application. Their

application for welfare assistance was then is put “on hold” for 45 days while they engaged in required employment activities. Unless the applicant already met participation requirements (e.g. through employment or education), this typically involved supervised job search and support. The applicant was required to make and report job contacts to the welfare office in person each day during the waiting period. Job search was supplemented by individual and group sessions with staff from the Department of Labor and the employment units of the welfare office. If the applicant provided proof of compliance with employment activities during this 45 day period, the eligibility worker processed her application.

In each of the eleven sites, required employment activities were also the gateway to a variety of supportive services which might or might not be authorized by the eligibility worker herself. In Texas, the local workforce agency provided employment and training services and managed child care, transportation, and other employment support services. In Suffolk County, new applicants had on-going contact with Department of Labor staff and a special unit of welfare office staff worked with applicants (and welfare recipients) to arrange child care subsidies, transportation vouchers, and other services. In Bibb County, welfare applicants had access to on-site child care during their job search and other employment activities, along with services from the local Department of Labor. In Hillsdale Michigan, welfare workers worked with local workforce contractors to provide child care, individualized planning, transportation, and other assistance.

Step Four: Completing the TANF Application. To receive TANF assistance, and in most sites to receive employment-related benefits such as child care, new applicants were required to comply with mandated employment activities. They faced other requirements that varied by site and with their own characteristics.

Welfare eligibility workers in most sites were responsible for enforcing “personal responsibility agreements” (PRA) with new applicants. A PRA was typically reviewed and signed during one of the face-to-face meetings. Its provisions often required the applicant to obtain and return verification of additional activities, e.g., attendance at parenting classes, immunization and well-child exams. Eligibility workers monitored

the submission of these verifications and could close or deny an application if they were not provided.

Welfare staff electronically fingerprinted applicants in most offices and took digital photographs in some. Over the years, some state and local welfare systems have elaborated fraud detection even further. In Suffolk County New York, for example, local officials made aggressive efforts to prevent fraud by requiring workers to refer cases with suspicious information to a Front End Detection System (FEDS) fraud investigator. Although not required, most new applicants were referred and required to have both an in-office visit and home visit by a FEDS worker. In Texas, the MIS system for the welfare office had been integrated with other state data systems. Eligibility workers were responsible for cross checking client-provided information – including recent earnings and car ownership – against automated records from the Department of Motor Vehicles, tax records, etc. Evidence of misrepresentation by the applicant was grounds for closing the application and could lead to a more extensive investigation and prosecution for fraud.

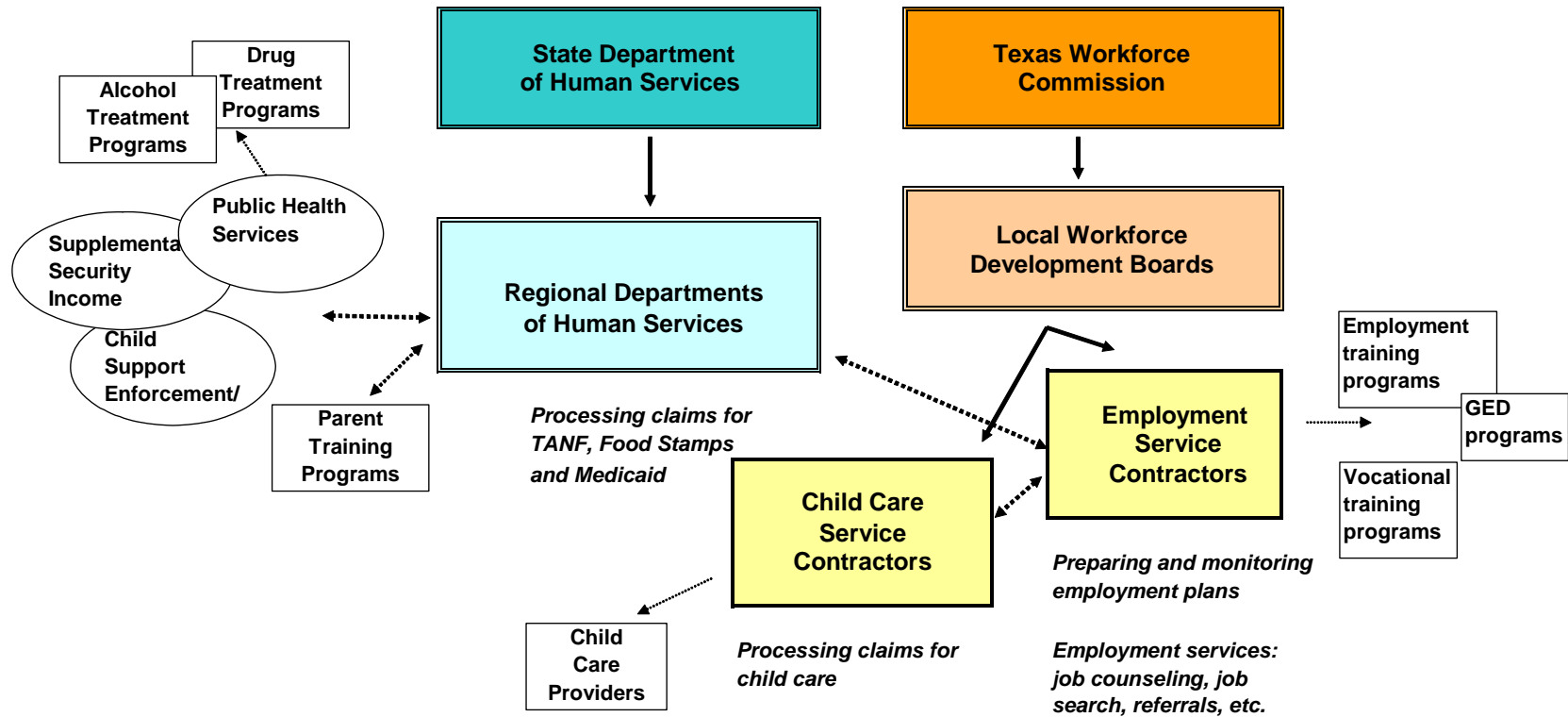
If the applicant was a single parent, the eligibility worker reviewed their compliance with relevant child support enforcement requirements. Additional procedures varied with the type of case and by site. If the applicant was a single parent with a child support order in place, the eligibility worker typically verified the order and all income received from the absent parent. If an order is not in place or if payments have not been made, the applicant was required to cooperate with finding the absent parent and assigning an order. In some sites (e.g. the Dallas office in Texas), the front-line welfare workers began the interrogation during the welfare intake interview; in others, the eligibility worker referred the applicant attends a mandatory interview at the local child support agency. Even if they did not conduct the child support investigation, eligibility workers tracked its completion; failure to attend these meetings or to provide information was grounds for closing the application or denying TANF benefits.

Table 1. Organizations in the Local Sites

	Welfare	Employment	Child Care
Georgia			
Fulton County NW Area Office Fulton County SW Area Office	Fulton County Department of Family and Children’s Services	Georgia Department of Labor	Fulton County Department of Family and Children’s Services
Bibb County	Bibb County Department of Family and Children Services		Bibb County Department of Family and Children Services
Michigan			
Wayne County, Glendale/Trumbull Office	Michigan Family Independence Agency (FIA)	St. Clair Shores/Born Center (non-profit)	Michigan Family Independence Agency (FIA)
Macomb County, Sterling Heights Office		Jewish Vocational Services; Operation HELP (non-profit)	
Hillsdale County		Community Action Agency (non-profit)	
New York			
Albany County	Albany County Department of Social Services	Albany County Department of Social Services, with referrals to local contractors	Albany County Department of Social Services
Suffolk County, Smithtown Center	Suffolk County Department of Social Services	Suffolk County Department of Labor	Suffolk County Department of Social Services
Texas			
Dallas, Masters Office	Texas Department of Human Services	Lockheed Martin Corporation (for-profit)	Texas Child Care Management System
Dallas, Grand Prairie Office			
Denton		North Texas Human Resources Group, Denton Center (non- profit)	

FIGURE 1

TEXAS



KEY:

- > Hierarchical bureaucratic or contracting relationships
- > Joint production processes; mandatory referrals tracked by welfare or workforce staff
-> Other client referral

Figure 2: Front-line staff serving TANF clients by agency and state

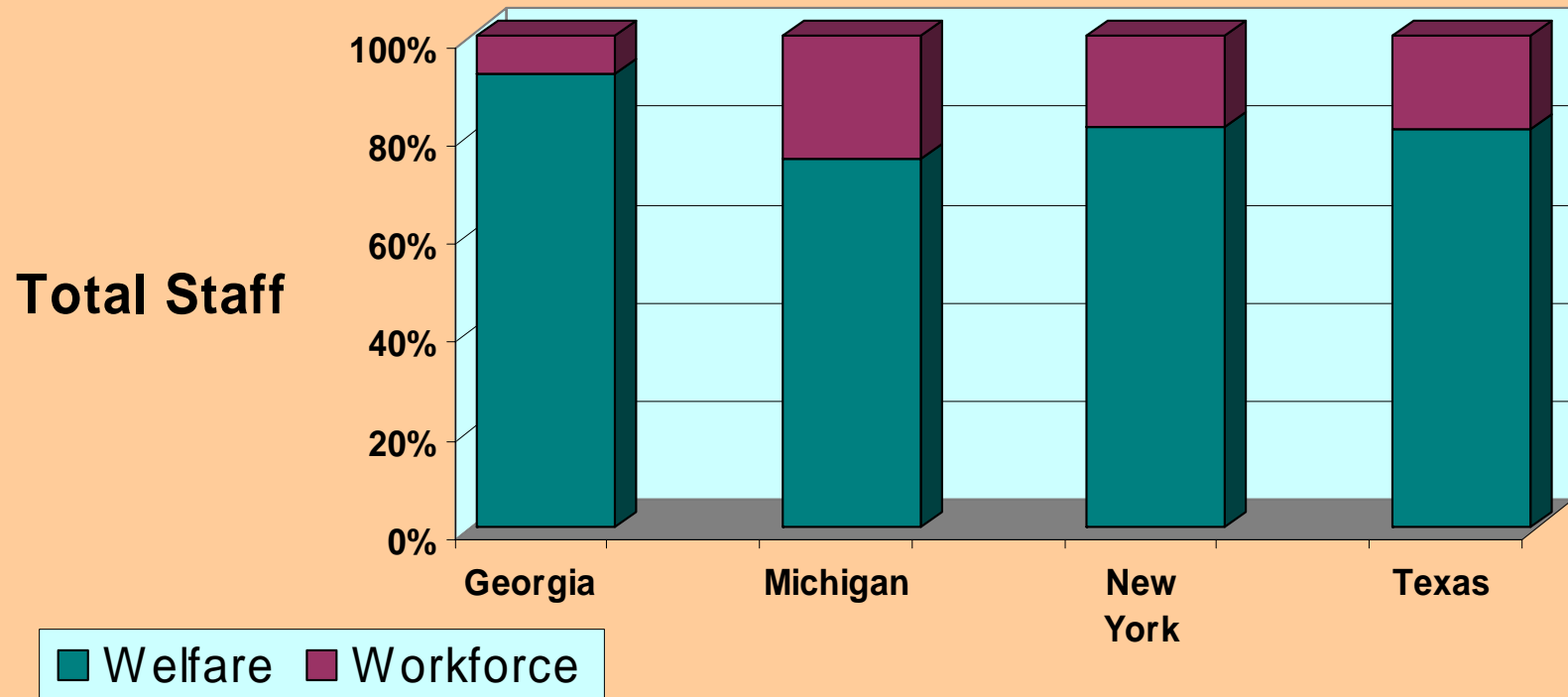


Figure 3: Staff hours of direct contact with TANF clients by agency and state

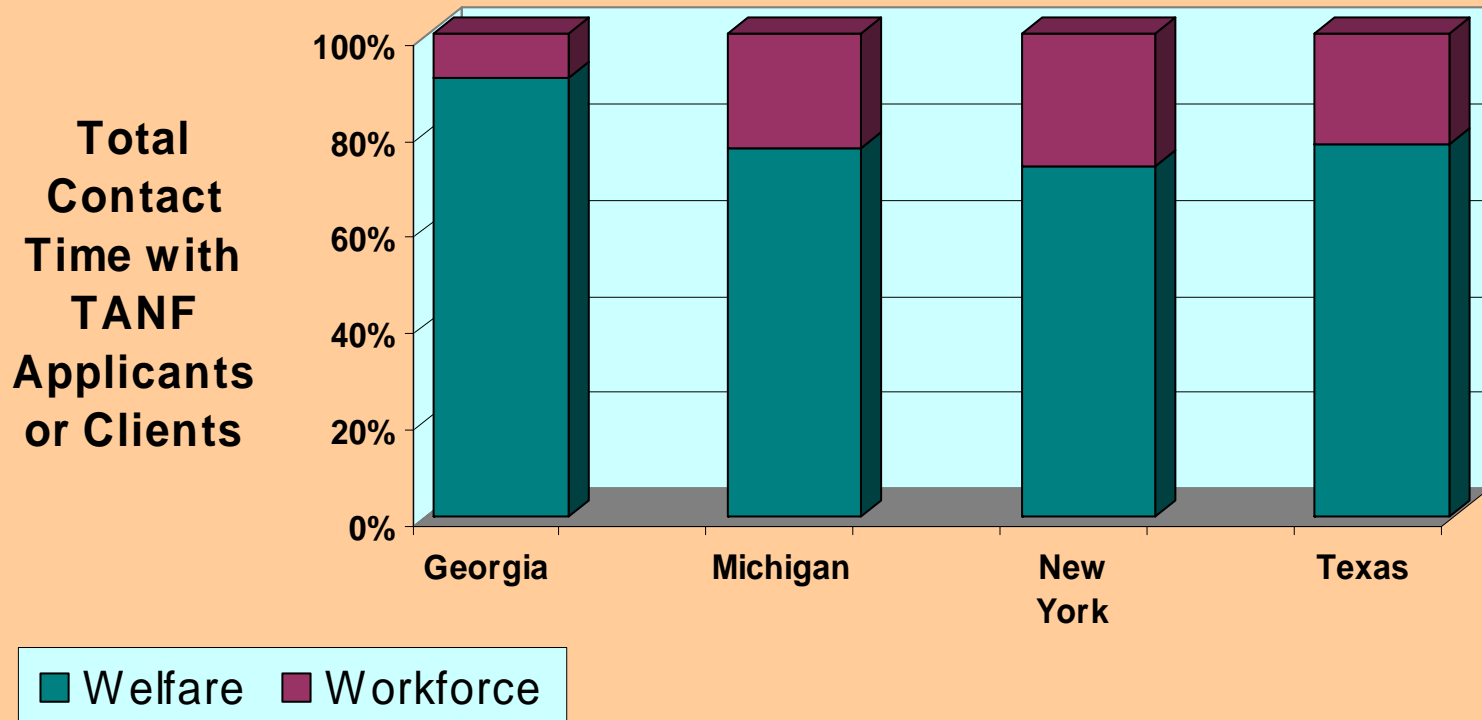


Figure 4: Primary purpose of encounters by state, all individual and group

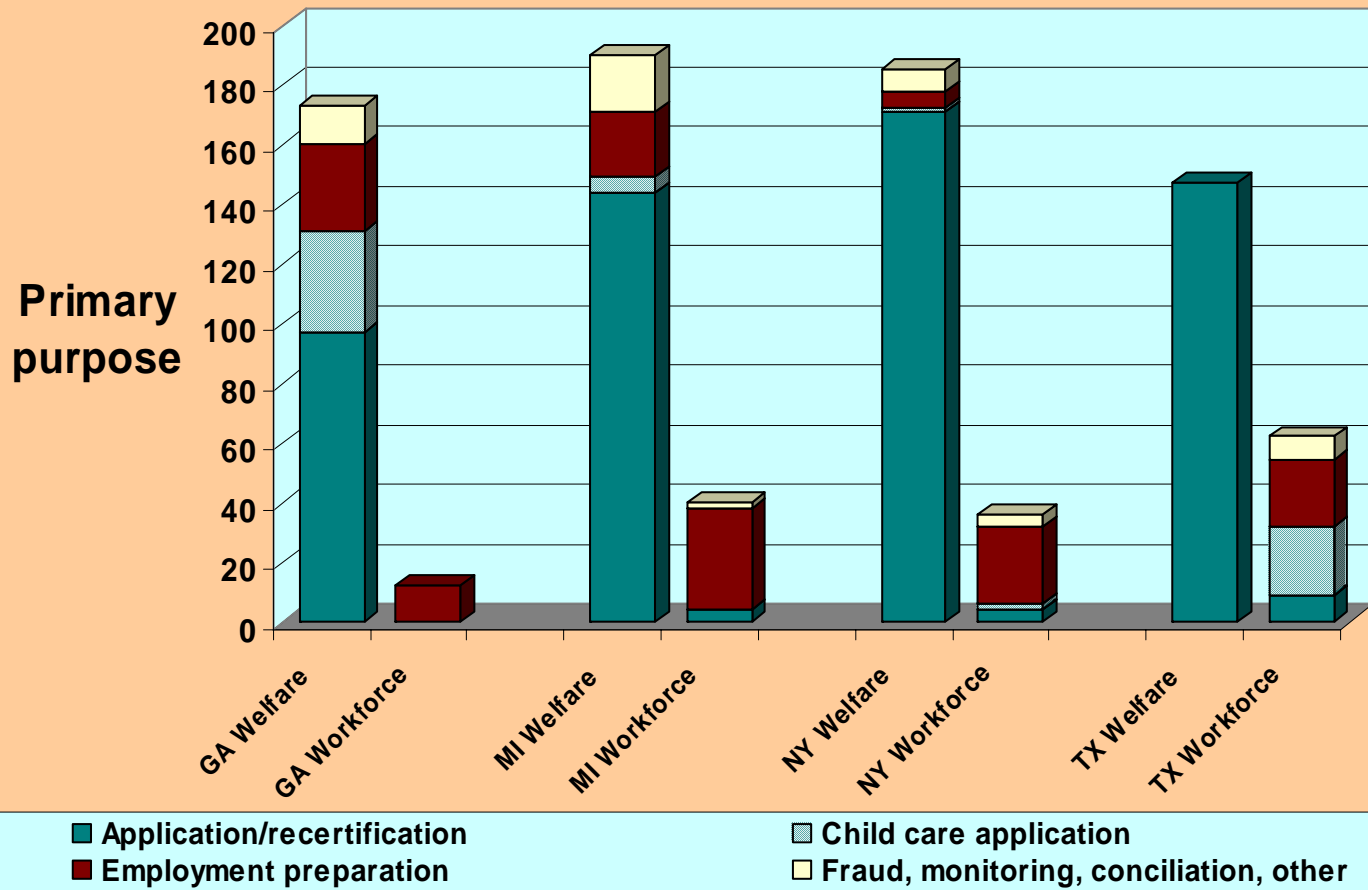


FIGURE 5
TANF INTAKE, GRAND PRAIRIE, TEXAS

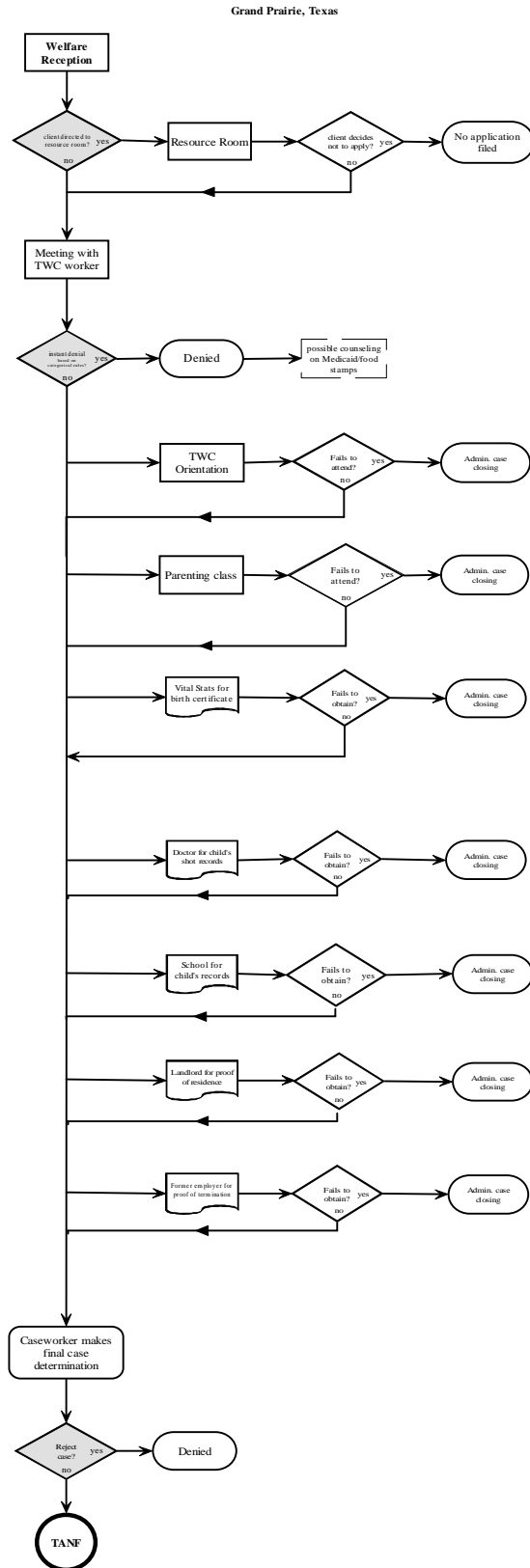
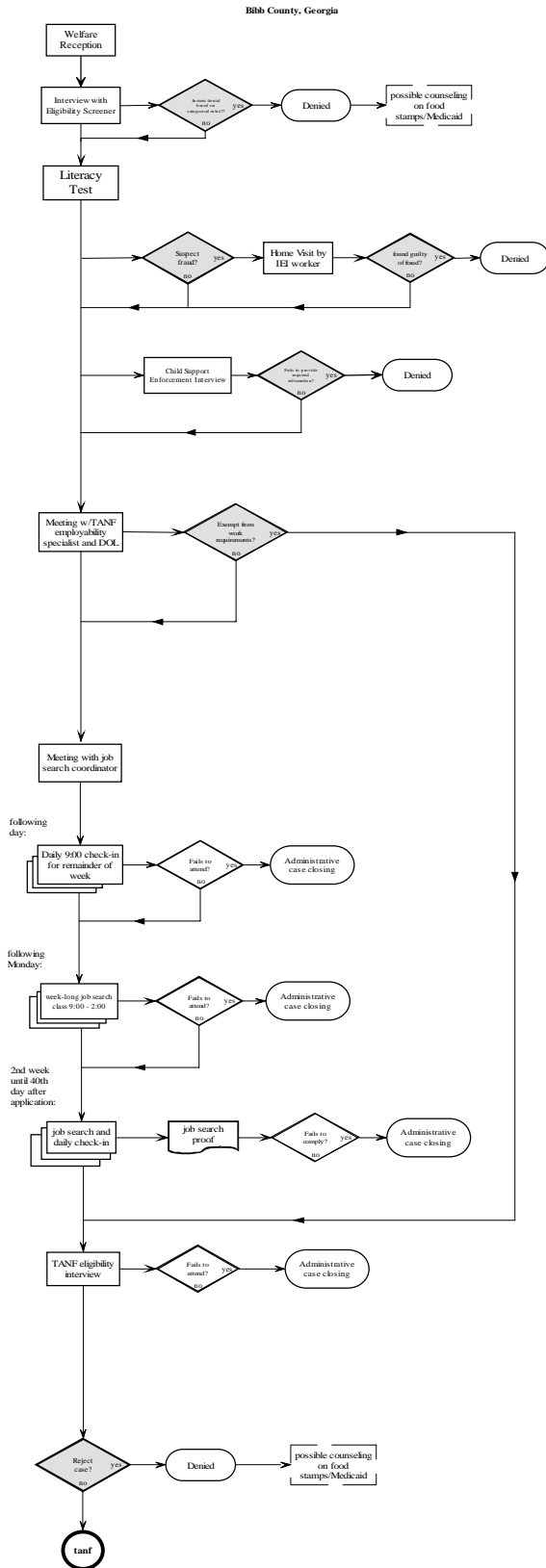


FIGURE 6
TANF INTAKE, BIBB COUNTY GEORGIA



**FIGURE 7
TANF INTAKE, SUFFOLK COUNTY NEW YORK**

Suffolk County, New York

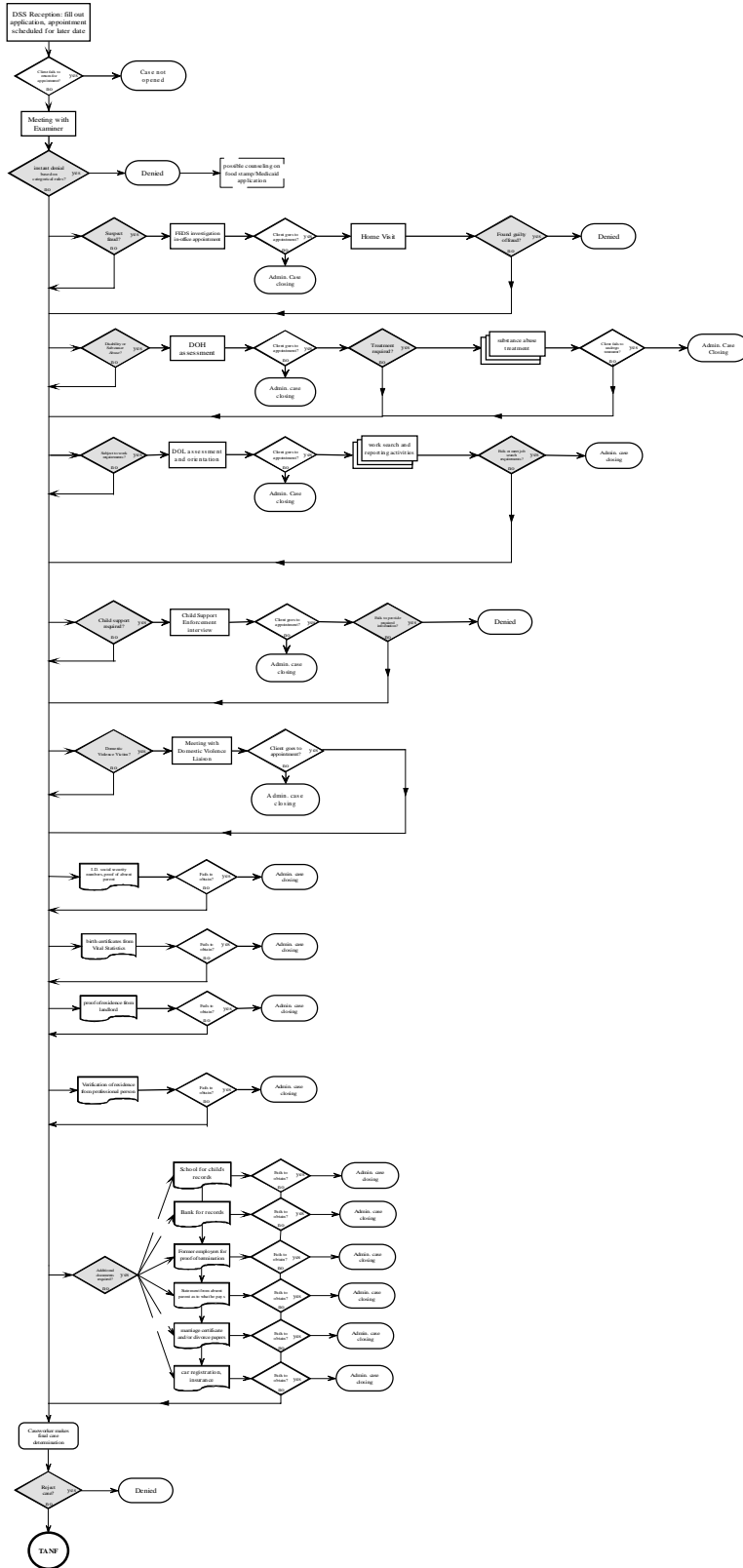


FIGURE 8
TANF INTAKE, HILLSDALE COUNTY MICHIGAN

