ALIGNING TANF & FOOD STAMPS:
A CLASH OF PROGRAM CULTURES

A STATEMENT OF THE MIDWEST WELFARE PEER ASSISTANCE NETWORK

September 29, 1999

INTRODUCTION. With the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) into law on August 22, 1996, most states took aggressive and proactive responsibility to serve low-income families in new and exciting ways. They embarked on this road of reform with the understanding and belief that states would receive unprecedented flexibility in designing and administering the critical dimensions of their programs.

The spirit of Congress, states perceived, was to shift authority to operate the old AFDC (and related) programs to the states in exchange for more state accountability in achieving positive outcomes for families and children. This accountability was initially articulated in the four broad purposes for Temporary Assistance to Needy Families (TANF) as stated in section 101 of the PRWORA. Congressional intent to establish a new federal-state partnership is further reflected in language prohibiting federal regulatory authority not specifically addressed in the Act, even though some specific parameters and expectations were imposed on the states.

In many respects, the experiment in devolution has been successful. AFDC/TANF caseloads, though a crude and incomplete measure, have fallen by half since their peak in 1994. More importantly, early evidence from a variety of so-called “leavers” studies suggests that upwards of 80 percent of those exiting the rolls evidence some attachment to the labor market. There is little evidence of any apocalyptic outcomes for vulnerable families, nor any “race to the bottom.” Virtually all states appear to have accepted their stewardship with seriousness and sensitivity.

One measure of the success of devolution is reflected in the new spirit of cooperation among the states. The Welfare Peer Assistance Network (WELPAN), a group of welfare administrators from the states of Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin was convened in October 1996 and meets quarterly to discuss issues of joint interest to the administration of welfare programs. The primary purposes of the WELPAN network are to share issues and concerns of common interest and to develop innovative strategies to improve what traditionally were thought of as welfare programs, thereby enhancing our abilities to effectively deliver services to low-income families. WELPAN directly reflects the new spirit of shared responsibility expressed through PRWORA, states working together to solve problems rather than relying upon “solutions from the center.”
However, the reallocation of policy authority among levels of government embodied within PRWORA is not occurring without challenge and controversy. Early on, the WELPAN states identified some serious contradictions between the policy and management environments of the TANF and Food Stamp programs. These “contradictions” both impede self-sufficiency and limit the effectiveness of the Food Stamp program in meeting traditional objectives of providing a social safety net for the most disadvantaged and of enhancing the economic well-being of the working poor.

In addition, these policy and management contradictions increase the cost of the program, confuse the client, undermine nutritional goals, alienate employers, and increase administrative costs to state and federal safety net programs. The efforts to address these issues through the Food Stamp simplification provisions of PRWORA, and in particular the Clinton Food Stamp Initiative announced in July of this year, admittedly are steps in the right direction. Among other things, the recently announced changes in Food Stamp regulations modify accounting periods for households with earned income, permit six month certification periods, and increase the existing status reporting policy from $25 to $100.

Though well meaning, we believe these responses are not aggressive enough to really address the profound disconnect that exists between the two program cultures. As a group, we differ somewhat on how adequately the Clinton initiatives respond to issues that have been raised. And we do recognize that TANF and Food Stamps serve somewhat different target populations and different societal functions. As such, we do not entirely concur on how completely TANF and Food Stamps can be aligned. As a network of state welfare officials, we are agreed that more can be done.

As detailed below, earlier efforts by WELPAN to articulate and communicate concerns about the lack of alignment between the TANF and Food Stamp programs have elicited tepid responses at best. Thus, we feel compelled to restate our concerns in this more formal way.

THE ALIGNMENT OF TANF & THE FOOD STAMP PROGRAM--A CONTINUING CLASH. When the WELPAN states perceived a real and growing disjoint between the design and administration of TANF and the Food Stamp program (and to a lesser extent the Medicaid program)—hereafter referred to as the alignment issue—this became a regular feature of WELPAN discussions. A number of key officials were invited to speak with the network in late 1997 and 1998. These national officials included Bonnie O’Neil of the Food and Nutrition Services (FNS), Michael Fishman, a long–time FNS official who is now with the Lewin Group, Congressional staffer Lynn Gallagher and other Capitol Hill staff members who exercise some jurisdiction over food and nutrition programs. These discussions proved informative but ultimately frustrating, despite the well-intentioned efforts of the expert visitors.

At the core of the alignment question lies a problem of competing, perhaps even contradictory, program and institutional cultures. The purpose of Food Stamps (and Medicaid) is to ensure that members of the eligible population have access to certain nonsubstitutable resources—food (and health care). These goods are considered necessities which society has deemed essential. In consequence, the Food Stamp program is viewed as a noncash equivalent to a universal income support program for low-income households.

With PRWORA, on the other hand, no such equivalent cash guarantee exists. The six–decade-old federal entitlement to cash welfare for low-income families with children was effectively terminated. In its place Congress established a framework through which states might test and adopt different strategies for effecting individual, family and community change, with greater emphasis on moving participants into the labor market and other mainstream institutions.

Programs with an income transfer orientation, by their very nature, take on certain attributes or characteristics:
They tend to be designed in a way that emphasizes horizontal equity, treating like families in invariant ways, within the target population they are designed to reach. Consequently, the exercise of discretion, the application of professional norms and judgement, or the individualized treatment of families is discouraged. This disposition predominates because people view the program as the final national safety net, a way of assuring a resource floor under which no one should fall. Those responsible for the Food Stamp program are even more sensitive to the importance of this function as the relative contribution of cash welfare assistance to overall family economic well-being diminishes. TANF, as we suggest below, increasingly stresses individualized treatment.

Income support programs are more easily financed and administered by central governments. The national government does a reasonably good job of collecting and distributing money, or money equivalents. It is far less clear that central governments can design and run programs aimed at stimulating individual and community change. Given that Food Stamps are almost fully paid for by federal dollars, it seems logical that the federal government would make the rules for Food Stamps. TANF programs, on the other hand, invite decentralization by virtue of their increasingly service-oriented technologies. Unfortunately, divided jurisdictional authority across programs that ought to function in concert raises serious design and management questions.

Income support programs tend to be process oriented. The emphasis is on how functions are carried out, not what they accomplish. Income support programs are monitored in terms of fiscal accountability and administrative efficiency. The traditional accountability for welfare was whether or not eligibility and benefit calculations were done properly and efficiently. Are the benefits issued in an accurate manner? Are benefits distributed in a cost-efficient manner? Is there fraud? Measuring these outcomes sends explicit cues back to the agencies and the workers. Process-oriented systems emphasize rule compliance and conformance. They function well within institutional arrangements that are hierarchical and bureaucratic, and where the dominant communication pattern is vertical, or from the top down. TANF programs, as is increasingly evident, are oriented and driven by the outcomes achieved, by product and not process.

The primary message of an income transfer entitlement program is the following — DO NOT DEVIATE FROM THOSE TASKS NECESSARY TO PERFORM THE ELIGIBILITY AND BENEFIT CALCULATION FUNCTIONS. DO NOT ASK HOW THE FAMILY IS DOING, OR INTERVENE IN WAYS THAT MIGHT IMPROVE THE FUNCTIONING OF INDIVIDUALS, FAMILIES, OR COMMUNITIES.

CHARACTER OF THE CLASH. The problem arises in that TANF creates a new world, one that emphasizes a fundamentally different program philosophy and institutional culture. We believe this transformation of institutional culture can be characterized along three dimensions. First, program and policy authority is being reallocated, or devolved, from higher levels of government to levels closer to the problems being addressed—from the national government to the states to local jurisdictions. This decentralization trend we see as continuing, increasingly pushing decision making to the local agencies and further to the operational level where front-line workers are afforded unprecedented discretion. Second, we see a continuing effort to redirect program purposes from income support ends to newer
purposes that are largely behavioral in character: enhanced labor market participation and attachment; wiser fertility decisions; improved family formation and marital stability; better parenting; and so forth. Third, TANF seeks to reinvent the governance of social provision in the U.S. by transforming public management from a focus on what agencies do to what programs accomplish. This new focus gives managers greater freedom to restructure the ways they shape and deliver services. In extreme cases, the public sector monopoly on the design and management of public assistance is challenged.

Below, we lay out some examples. They are not exhaustive by any accounting. They do illustrate how the culture clash plays out from the perspective of different stakeholders.

The client’s conundrum. The culture clash results in client, or customer, confusion. What information must they report, to whom, and when? Placing an emphasis on making families navigate through the bureaucracy rather than holistically meeting the family’s needs undermines the “entitlement” nature of Food Stamps. The underlying message to clients is that they will only receive the benefits to which they are entitled if they can figure a way through the regulatory and institutional mazes. Clients are sensitive to programs that work at cross purposes. “TANF has me working, but Food Stamps wants me in for re-certification sessions during work hours.”

The worker’s conundrum. Organizational culture is best expressed through the manner in which workers interact with program participants. A new culture is realized when the participant’s experience is fundamentally altered. The alignment issue plays out in critical ways at this level, creating considerable role confusion. Workers dealing with both cases (TANF and Food Stamps) must play multiple roles. For TANF cases, they often must be problem solvers, risk takers, and entrepreneurial. They must seek ways to find out what the barriers to behavior change are and work with the clients to overcome these problems. In doing so, they often broker across traditional program boundaries. The same worker, when dealing with Food Stamp issues, must revert to the old rule-bound, linear type of thinking. Find the facts; execute the rules; play the cop or data processor role. Some managers have referred to this as the left brain-right brain dilemma, the attempt to multi-task in fundamentally different worlds that demands qualitatively different ways of organizing the world and performing conceptual tasks. Moreover, while TANF leads to case churning with increased sanctions and work expectations, etc., the spillover effect onto the Food Stamp caseload is barely recognized or appreciated. That is, this churning creates more opportunity for error in determining eligibility or calculating benefits in related programs.

The manager’s conundrum. The agency manager also confronts interesting dilemmas. One goal of TANF is to increase work among recipients. If successful there, however, the manager is likely to increase Food Stamp error rates since cases where the adult caretakers work are error prone. By definition, cases with employed adults have more factors that contribute to eligibility and benefits calculation, and more factors that vary with time. The manager is left in the unwinnable position of choosing between competing TANF and Food Stamp goals, aggressively pushing labor force attachment or aggressively pushing error reduction. Moreover, as TANF innovations and other circumstances such as a booming economy push down caseloads, the managers get little recognition from Food Stamp officials in terms of any accrued cost-savings. Rather, they are likely to be punished for their higher error rates.

The policy maker’s conundrum. The people making the rules also face some tough choices that require crossing over between different systems. Early in the TANF experiment, states developed diversion payments as a strategy for meeting immediate needs thus redirecting applicants away from cash welfare. These lump-sum payments often were combined with other services or labor market attachment efforts as incentives and opportunities to encourage behaviors more consistent with self-sufficiency. But initially, the diversion payment had to be counted as income for Food Stamp purposes. Again, an unfortunate dilemma was posed to policy makers. Moreover, the same policy maker might have wanted to count the diversion payment as income, that is, consider it as a benefit, in order to make the family eligible for transitional Medicaid benefits. What was a policy maker to do? This contradiction
eventually was dealt with after considerable complaint, but it remains emblematic of the ways policy and institutional cultures can clash.

**The systems designer’s conundrum.** Those trying to put together coherent and seamless systems of support face the following problem: how can you fully integrate such different cultures within the same building, or unit, or with the same staff? Those who want to experiment with privatization find they must mix public and private entities in ways that don’t always make sense. There are exciting forms of collaboration, networking and other forms of integration that are literally dissolving the traditional boundaries among varying systems. But the organizational constraints imposed on the residual income support programs make experimentation in exciting new organizational forms (e.g., One-Stop Job Centers, Family Support Centers, privatization, or re-scaling agencies to accommodate neighborhood catchment areas) very difficult, if not impossible.

We refer to the above illustrations as conundrums precisely because they are not easily resolved. In point of fact, we do not have easy answers. We do, however, firmly believe that a sustained and frank dialogue on these and related issues ought to take place.

**SEEKING SOLUTIONS.** WELPAN seeks ways through which the tensions emerging out of these two cultures might be accommodated without endangering what is unique and desirable in each. For example, the group does not want to diminish the very important role the Food Stamp program plays as an integral part of the remaining safety net. Neither does the group want to challenge the legitimate need for program accountability. And the network recognizes legitimate federal interests given that the national government pays virtually all program costs. We merely wish to point out the counter-productive ways in which the clash of programmatic and institutional cultures plays out. And we wish to initiate a dialogue on ways the cultural chasm might be bridged. Toward that end, we have a few suggestions.

- **First,** we believe that efforts to raise issues about the lack of fit or alignment between TANF and Food Stamps should be considered legitimate. The prior experience of state administrators has not led to a fruitful dialogue. In some instances, the motivations of those raising legitimate issues have been questioned; they are accused of undermining the remaining social safety net or attempting to push a broader devolution agenda. In other instances, they are accused of attempting to evade appropriate management requirements such as Quality Control (QC) and monitoring expectations. In short, raising legitimate concerns should not be viewed as the equivalent of evading responsibility or advancing an unstated agenda.

- **Second,** we believe that such a dialogue requires the participation of stakeholders from different congressional jurisdictions and executive agencies. While states have had to engage in a great deal of crossing over between various “turf”s in order to deliver services and opportunities in an increasingly seamless manner, Washington appears incapable of simulating a similar interagency dialogue. But this must be done if the tendentious issues raised above are to be addressed.

- **Third,** we encourage imaginative and creative thinking. Let us take a case in point. Accountability in Food Stamps is realized through a traditional QC concept—measuring the accuracy of eligibility and benefits calculations. But the stated purpose of the Food Stamp Act is not to issue benefits; the program purpose is to improve nutrition and reduce food insecurity. FNS has spent a great deal of effort in
developing measures of food insecurity. Perhaps we can all work together to realize an outcome-focused Food Stamp program as opposed to a process-obsessed program. The transformation may not be easy, but we will never know whether we can do it unless we try.

• Finally, we encourage all to think more broadly and appropriately about the role of Food Stamps in the new world of social assistance. In some respects, it is a form of transitional assistance as is Child Care and Medicaid for those moving from dependence to self sufficiency. In other respects, it may be a form of ongoing support, a way of supplementing the earnings of those families “playing by the rules.” The point is to ensure that we first have a productive dialogue about the role of Food Stamps in reformed policy world and that subsequent decisions about design and management reflect those public purposes.

As a group of Midwestern state human service administrators we are excited about our success in promoting the growth of persons who have been historically dependent upon means-tested transfer payments. We remain committed to the principle of the social safety net as it is embodied in residual entitlement programs such as Medicaid, Food Stamps, and Supplemental Security Income (SSI). We wish to enhance and strengthen initiatives to promote self-sufficiency while maintaining those aspects of the social safety net essential to assisting both low-income members of the labor force and those who cannot fully participate in the labor force through no fault of their own.

We fear, however, that the sense of frustration evidenced among our members is not atypical. If these frustrations and conundrums are left unaddressed, we are concerned that the worst fears of those who wish to preserve this valuable program will be realized--the very effort to perpetuate the program in its current form will inexorably lead to its unraveling.
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