he federal government typically thinks about social welfare policy in terms of specific programs and categorical funding streams (each, as it were, an independent “silo”). In a January 2002 report, Eliminating the Silos: Or, It’s Not Just Welfare Anymore, members of the Midwest Welfare Peer Assistance Network (WELPAN) argue that many states, particularly since welfare reform, have been trying to construct a coherent and seamless service delivery system that will better assist disadvantaged families. The Silos report includes a series of recommendations for ways in which a radically reformed cash welfare program, Temporary Assistance for Needy Families (TANF), might better connect with workforce development and other components of the social safety net.¹

The Silos report, which summarizes a year-long dialogue among WELPAN members, happened to appear shortly before President Bush issued his welfare reform agenda, Working Toward Independence. Fortuitously, a “key element” of that agenda “seeks to enable far broader state welfare and workforce program integration.”² Specifically, the Administration encourages states “to seek new waivers for integrating funding and program rules across a broad range of public assistance and workforce development programs.”³ The programs covered in the proposal include, but are not limited to:

- TANF
- Food Stamps
- The Workforce Investment Act
- The Wagner-Peyser Act
- Federal Housing and Homeless Assistance Programs, and
- GED and post-secondary education programs.

The Administration’s proposal (let us call it the Cross-Systems Waiver Authority initiative) is clearly one way to address WELPAN’s stated concern about the ways in which social assistance efforts are currently structured within narrow funding and regulatory silos that are organized around specific problem areas and target groups. In particular, the stated goals of the Administration’s proposal turn out to be consistent with long-held WELPAN interests:

- build stronger, more integrated and effective service systems across a broad range of public assistance and training programs;
- plan and enter into partnerships with businesses, community-based organizations, and faith-based organizations to help those who are seeking work, struggling to retain their jobs, or trying to climb a career ladder;
- build coherent and comprehensive strategies on behalf of low-income individuals and families; and
- deliver more seamless services tied to stated program goals and self-sufficiency and employment outcomes.

But how, in practice, might these mutual interests be realized? During three days of roundtable discussions among WELPAN members and key stakeholders and interest groups (March 6–8, 2002, in Washington, D.C.), several serious concerns were raised. What is to prevent the
waiver from being misused to shred a state’s social safety net? Is there sufficient specificity and consensus on the ends of reform to permit relaxation of the rules governing what we do for vulnerable families? Do we have the data and methods that will allow us to monitor outcomes and ensure accountability?

Above all, the dialogue revealed a particular anxiety about reconciling state accountability with greater flexibility. This concern is reasonable, given a lack of information about how waiver requests might be designed, service provision barriers addressed, and accountability ensured. In the abstract, it is difficult to allay the political suspicions and normative concerns that inevitably render dialogue about changes in the nation’s social safety net contentious.

WELPAN believes that three different sets of information could facilitate productive discussion and refinement of the Administration’s proposal:

- A series of specific, though hypothetical, waiver requests. These requests will attempt to illustrate how the waiver authority, as currently envisioned by the Administration, could be used to build stronger, more integrated and effective—yet still accountable—service delivery systems across a broad range of public assistance and training programs.

- A summary of past efforts to overcome service delivery barriers using previous waiver authority or ingenuity in “bending” existing regulations. Such a summary could reflect ways in which those running programs at state and local levels have, on the whole, demonstrated ingenuity without compromising accountability in responding to prior devolution efforts. Officials can build on this experience to eliminate other service silos and to create more seamless programs and services for at-risk families and communities.

- Lessons learned from the past that might be useful to future activities to promote and support waiver authority. There are clearly steps that can be taken to promote intended results by ensuring that existing silos are actually broken down while maintaining accountability without creating new bureaucratic restrictions.

Looking to the Future

The members of WELPAN have decided to initially focus on the first of these information needs in order to illustrate possible waiver requests in which states might be interested. We believe this helps make the discussion less normative and more substantive.

Devolution in the abstract is a concept likely to arouse apprehension. The Administration’s Cross-Systems Waiver Authority proposal, in particular, opens the possibility for substantial change in the direction of reform. It is natural, and quite legitimate, for those concerned with the well-being of challenged families and children to question the meaning and consequences of this change. It may, therefore, be helpful to envision how states and localities could access a cross-systems waiver authority in practice.

Several key elements of the Administration’s proposal have been articulated. Under the proposal, states will submit detailed waiver applications for approval by the relevant Cabinet Secretaries of each federal department with jurisdiction over the affected programs. Each Cabinet Secretary will be able to negotiate specific terms and conditions related to their programs and waive program rules that are inconsistent with the proposal if the proposed project is likely to improve the quality or effectiveness of the programs involved.

States will be required to:

- assist the same general populations currently targeted by their programs;
- identify the programs and activities for which waivers are requested, describe how the program purposes will be achieved, and show how the proposal will enhance the achievement of such goals;
- describe the integrated performance objectives and outcomes for the proposed program, including any modification in
reporting requirements and performance measures. Integrated programs for which waivers are granted will be operated as demonstration programs and participating states will be required to evaluate the program;

- comply with stringent cost-neutrality requirements. Proposals will need to be cost-neutral across all programs for which a waiver is requested, and states must abide by specific cost-neutrality targets. The terms and conditions will specify funding levels above which waiver program activities will be suspended or terminated. The terms and conditions will also specify spending levels above which payment or repayment of state funds will be required.

At this point, we agree with those who argue that more thought and specificity are necessary in the design of the proposal as it evolves. For example:

- If no program with sum-sufficient federal funding is involved in a waiver proposal, we question whether the cost-neutrality provision should apply.
- We would encourage a healthy dialogue about the purposes of a reauthorized TANF program, and suggest that state input be secured. In a devolved policy world, some flexibility regarding purposes should accompany flexibility in strategy.
- We believe that a strong evaluative component should accompany any new waiver authority. This should be viewed as an opportunity to learn as new service strategies and organizational forms are explored.
- We need to discuss how we will monitor the well-being of target populations, thus attaching a meaningful, performance-based accountability component, and further consider whether we have an adequate data infrastructure for this task. One issue, for example, is the extent to which experimental or quasi-experimental designs will be required to evaluate activities undertaken under this authority.

- There are bound to be hard-to-resolve issues about program boundaries. Are there provisions in current law and regulation that cannot be waived under any circumstances? What circumstances might elicit special attention?
- There are numerous issues of process and practice. The details of the proposal must be worked out, from the point at which cross-system waiver requests are submitted, through the approval and monitoring phases, to the point where disputes are settled and success or failure determined and shared.

Conclusion

The members of WELPAN have long discussed the need for flexibility across existing program lines and funding streams. The Administration’s Cross-Systems Waiver Authority proposal, we believe, represents one avenue for achieving this kind of flexibility. Nevertheless, we also realize that the proposal is not yet fully developed and may legitimately evoke serious concerns.

We believe that these concerns should not result in abandonment of the goal of a cross-systems waiver authority. This provision in the Administration’s reauthorization proposal has the potential to reframe social assistance in the United States beyond anything envisioned in the 1996 Personal Responsibility and Work Opportunity Reconciliation Act. However, that potential will only be realized if a serious state-federal dialogue and a true partnership are developed to work out the details and strengthen the proposal. WELPAN stands ready to participate in such a dialogue.


2Statement of the Honorable Tommy G. Thompson, Secretary, U.S. Department of Health and Human Services, Testimony Before the House Committee on Ways and Means, Hearing on the President’s Plan to Build on the Success of Welfare Reform, March 12, 2002.