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Comparing welfare-to-work programs

The failure of mandatory basic education to help high school dropouts, the lack of clear guidance on what makes training effective, and the low earnings and persistent poverty of most welfare leavers point to the continued need to identify pre- and post-employment strategies that are more successful in getting people higher-wage jobs.

From: "The Role of Education and Training in Welfare Reform," Brookings Institution Welfare Reform and Beyond Brief 20, April 2002, by Judith M. Gueron and Gayle Hamilton.

As welfare-to-work programs proliferate in 50 states, the need to determine which are effective, which not, becomes more urgent, and the task more daunting. The first two articles in this issue of *Focus* explore two different approaches to the use of existing survey and administrative data to compare the effects of programs in different states, revealing both the possibilities and the limits of these data.

Income and program participation among early TANF recipients: The evidence from New Jersey, Washington, and Wisconsin

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From its peak in 1994 through 2001, the U.S. welfare caseload declined by nearly 60 percent.[1] The decline became even more precipitous as state welfare reforms picked up speed after Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act in 1996. In light of these dramatic reductions, many states sponsored studies to track what was happening to current and former recipients of welfare. These studies offer a unique opportunity to use interstate differences in how such families were faring as a key to understanding the effectiveness of different policies. But cross-state comparisons have been problematic, for the studies were generally constructed to be of use for a specific state, and so often use different sampling strategies and different definitions of key outcomes.[2] Thus an important issue that we hoped to address is the extent to which cross-state comparisons are limited by substantive differences in programs as opposed to differences in data or the measures used by researchers.

The research reported in this article constitutes an early effort to see whether preexisting data from several state studies can be made enough alike to permit valid comparisons among state programs. It also reveals some of the difficulties confronting those who undertake the effort. Our aim was to develop a common set of analyses of the patterns of public benefits and earnings in three states, New Jersey, Washington, and Wisconsin, using administrative and survey data on those who have left welfare and those who have stayed. These three states

Table 1
New Jersey, Washington, and Wisconsin, 1999, and the U.S. Average

Characteristics	New Jersey	Washington	Wisconsin	United States
Population				
Number (in millions)	8.1	5.8	5.3	273
Under age 18 (%)	24.6	25.8	25.7	25.7
Hispanic (%)	12.6	6.5	2.7	11.5
Black (%)	14.7	3.5	5.6	12.8
Noncitizen immigrant (1998, %)	8.9	4.4	1.7	6.3
Nonmetropolitan (%)	N/A	17.2	32.3	20.1
Change in population 1990-99 (%)	5.1	18.3	7.3	9.6
Births to unmarried women 15–44 (1998, %)	28.3	27.9	28.5	32.8
Births to unmarried teens 15–19 (1997, %)	6.9	8.2	8.9	9.7
Birth rate per 1,000 women 15–19 (1998)	34.6	41.7	34.8	51.1
State Economic Characteristics				
Per capita income	$35,551	$30,392	$27,390	$28,542
Unemployment rate (%)	4.6	4.7	3.0	4.2
Jobs in manufacturing (1998, %)	12.6	14.6	22.7	14.8
Jobs in service sector (1998, %)	32.1	27.4	25.9	29.9
Jobs in public sector (1998, %)	14.8	17.9	14.5	15.8
Family Profile				
Children in 2-parent families (%)	69.9	65.9	67.4	63.6
Children in 1-parent families (%)	21.7	23.7	22.4	24.8
Children in poverty (1998, %)	12.8	12.7	9.7	17.5
Adults in poverty (1998, %)	7.5	8.9	6.9	11.2

Source: Assessing the New Federalism, State Updates 6, 7, 8, 2001. Urban Institute, Washington, DC.

were chosen in part because in each state a survey of families receiving Temporary Assistance to Needy Families (TANF) has been or is being conducted by independent researchers, and because each has taken somewhat different approaches to TANF.[3]

The Work First New Jersey program is being comprehensively evaluated by Mathematica Policy Research, Inc., which is tracking a representative statewide sample of 2,000 adult TANF case heads, beginning in 1997 and continuing to follow those who left as well as those who stayed. In Washington, a team under the general leadership of the state Employment Security Department has been surveying 3,000 current and former participants in Washington's Work First TANF program since 1999. Wisconsin data come from the Survey of Wisconsin Families that is an integral part of the Child Support Demonstration Evaluation; the survey acquired comprehensive information about the work and welfare experiences of about 3,000 Wisconsin families participating in Wisconsin Works (W-2), beginning in September 1997.[4] Thus the surveys cover roughly the same period of time and are comparable in size and in broad methodological approach (for instance, all use a randomly selected study sample).

Some characteristics of the states and the survey participants

In 1999 the three states that we examine were, in many respects, better off than the U.S. average, with fewer individuals in poverty, lower teen and nonmarital birth rates, and fewer children in single-parent families (Table 1). They differed from each other in the ethnic and immigrant composition of the population. New Jersey, for example, had a far higher proportion of black and Hispanic residents, and of noncitizen immigrants, than either Washingt on or Wisconsin. The states also differed in the distribution of employment—Wisconsin's economy is more heavily dominated by manufacturing than are the economies of the other two states. Whereas the unemployment rate was below the national average only in Wisconsin, per capita income was above the national average in New Jersey and Washington, and below it in Wisconsin. Poverty rates were below the national average in all three states.

The participants in these three surveys also show substantial differences (Table 2). The New Jersey survey, as would be expected, has by far the largest percentage of Hispanics. Three-quarters of the Washington survey participants are white, and Wisconsin has the largest percentage of African Americans. Educational levels vary dramatically: nearly 80 percent have completed high school or some college in Washington, compared to 61 percent in New Jersey and 55 percent in Wisconsin. The Wisconsin survey participants are notably younger and more likely to have never been married; they have more, and younger, children. Despite these disadvantages, the

Table 2
Characteristics of Welfare Clients in New Jersey, Washington, and Wisconsin

	New Jersey	Washington	Wisconsin
Age (in years)			
Younger than 20	9	3	6
20–29	44	43	58
30–39	32	36	27
40 or older	15	18	9
Avg. age	30	33	28
Ethnicity			
Black	51	9	63
Hispanic	27	9	10
White	17	74	24
Other	5	11	4
Education			
< High school	39	21	46
High school (and/or GED)	44	42	36
More than high school	17	37	19
Never married	69	38	83
No. of children			
1	47	41	34
2	29	29	29
3	16	13	21
4 or more	8	7	16
Avg. age of youngest child	4.6	8	3.6
Worked in 2-yr period before TANF entry (from UI data)	54	75	81

Wisconsin participants had the most extensive work experience in the two years preceding TANF entry—80 percent had worked, compared to about three-quarters of the Washington participants and just over half of New Jersey participants.

The TANF programs

The design of the welfare programs in these states shares certain broad commonalities, but the details vary substantially. These differences are in part a matter of emphasis. In all three states, for example, the state version of TANF emphasizes engagement in work or worklike activities; only women with children under 3 months (12 weeks) are categorically exempt, though some hard-to-serve individuals and those with disabilities may be exempted by administrative decision. Wisconsin is by far the most rigorous in its emphasis on work, assigning all applicants immediately to a stage in a four-rung "job ladder" intended to progress toward unsubsidized employment and rather narrowly restricting education and training activities. New Jersey takes a more moderate approach: those who fail to find work while participating in a four-week job-search class must then participate in training, basic education, or work experience activities. In Washington State, those unsuccessful in finding work immediately can engage in a mix of job search, job skills training, and supervised community jobs for up to nine months. In all the states, failure to participate in assigned activities can result in sanctions—grant reductions or case closure—but of varying severity. All three states offer a range of work supports—for example, child care subsidies, transportation assistance, and one-time cash grants for emergencies as an alternative to welfare.

There are other significant program differences.[5] Washington and New Jersey have more generous education and training policies than Wisconsin. Cash assistance levels also differ; for example, in 2000 a New Jersey family of three with no other income would have received $424 a month; in Washington the same family would have received $546. In New Jersey, families cannot receive additional benefits for children born while the family is receiving cash assistance (the "family cap" policy) but in Washington they can. In Wisconsin, which pays the same benefit regardless of family size, only the participants on either of the two lower rungs of the job ladder receive a cash grant, which is over $600 a month. Like TANF payments in the other states, it is not considered to be "wages" and so does not qualify them for earnings supplements such as the Earned Income Tax Credit (EITC). Another key difference is the level of earnings disregards (that is, whether grant amounts are reduced dollar-for-dollar with earnings, or at some other level). New Jersey ignores all earnings in the first month, then half of earnings thereafter. Washington begins the 50 percent disregard in the first month. In contrast, Wisconsin effectively has no earnings disregard.

Sources of information

The range and nature of program differences among the states were only part of the problem when we undertook a comparative study. Equally pressing were questions of the comparability of data.

Findings from each state have drawn on a mix of administrative data and data collected in interviews, but again surface similarities conceal many differences in what data were available, or in the way they were collected or assessed. For example, no Medicaid data are available from the New Jersey administrative database, whereas Washington has Medicaid data and Wisconsin has both Medicaid and SCHIP data. Furthermore, the surveys ask different questions of different samples.

The timing of the data also creates problems of comparability. New Jersey's sample was drawn from those receiving TANF benefits between July 1997 and December 1998; Wisconsin's was drawn from a very similar period (September 1997 through July 1998). In contrast, Washington's was drawn from the caseload in March of 1999, so includes those receiving benefits during a later period and, because it draws its sample only from a single month, is more likely to include a higher proportion of long-term recipients than the samples from the other states.[6] Because administrative data are available for every time period, one can match administrative data outcomes across states. But should one compare data from the same calendar period, thus capturing similar macroeconomic circumstances, or the same number of months since entry to the TANF program, thus capturing the dynamics of the relationship between the individual and TANF?

In the survey data, timing becomes an even more difficult issue: New Jersey's surveys were conducted in the spring of 1999, 2000, and 2001; Wisconsin's surveys were conducted in the spring of 1999 and 2000; and Washington's primarily in the spring of 2000 and 2001. But even though the surveys were taken during comparable periods, they each asked income information from a different period: New Jersey's measures are for the month prior to the survey, Washington uses monthly data from the twelve months prior to the survey, and Wisconsin uses a calendar year.

The sample of welfare recipients in the New Jersey and Washington surveys included two-parent cases and single-father families. The Wisconsin survey had no single-father families, but included some two-parent families, among them families which received no cash assistance, only case management services. Because of the focus on child support policy, however, the Wisconsin study excluded widows; it also excluded families with a child on Supplemental Security Income (SSI), because these families face different child support rules. Adding new subjects is not an option, so our solution was to drop some participants from the sample to make it comparable where feasible—dropping widows in New Jersey (but not in Washington), dropping single-father families in Washington, and dropping all two-parent cases.

Then, too, income sources were rather differently assessed: Washington did not ask about money from friends and relatives who did not live with the respondents, New Jersey and Wisconsin did, so this source had to be removed from income in the New Jersey and Wisconsin data. In assessing family income, New Jersey included any income earned by the children, Wisconsin and Washington did not. Each survey asked about employment and earnings for different periods of time—New Jersey used survey responses in the month prior to the survey; Wisconsin used survey responses covering the calendar year prior to the survey, and Washington used administrative data for the quarter.

In addition, there were initial differences in the treatment of missing data and in aggregation rules. For example, in the first sharing of results, New Jersey and Wisconsin used algorithms for imputing income to a particular source if individuals reported that they had received income from that source but were uncertain about the amount; Washington did not. Washington calculated mean income from each source using data from all those who had provided information on that source of income (even if information on other components of income was missing); Wisconsin calculated income only for those cases in which all sources of income were reported or imputed. To reconcile these approaches, most imputation rules were ignored, and we calculated total income only in cases for which we knew all sources of income.

These are just a few examples of the kinds of difficulties confronting comparative studies of state welfare programs; if the results of such studies are to have real value for cross-state comparison, they must be resolved, but quite often no truly satisfactory decision exists. If, for example, "other family income" in New Jersey and Wisconsin amounts to $432 and $541, respectively, but is only $21 in Washington, we may well suspect it is because different questions were asked about the sources of income, but still be unable to determine exactly how to make these sources more comparable. Other gaps, however, could be filled: for instance, only the Washington survey reported the federal EITC that families received, but because the amount of EITC paid can be imputed from earnings, we used imputed values for all three states. This is an imperfect solution (as it assumes 100 percent take-up of the EITC), but we decided it was the best solution.

Public assistance over time

Public assistance caseloads in these states followed somewhat different paths before welfare reform. In both New Jersey and Wisconsin, declines began in the early 1990s and intensified following the introduction of the state TANF program, though at very different rates. From 1994 to 1997, New Jersey saw a rather modest 19 percent decline, below the national rate of 23 percent. In Wisconsin, which began experimenting with work-based welfare reform as early as 1990, the decline can fairly be called precipitous—61 percent between 1993 and September 1997, when Wisconsin Works began statewide. Washington followed a different pattern. Like Wisconsin, the state had begun experimenting in the late 1980s with welfare reform under a waiver from the federal Department of Health and Human Services. The state's Family Independence Plan incorporated a heavy emphasis on education and training with relatively generous income supports in pilot areas. From 1993 to 1996, welfare caseloads dropped only 4 percent, in marked contrast to the national average.

How long do participants continue to receive benefits under TANF? Figure 1, based on administrative data, shows that benefit patterns in New Jersey and Washington are quite similar. Two years after participants were enrolled in Work First New Jersey or Washington's Work First, only about one-third were receiving cash benefits. Participants moved off benefits even more quickly in Wisconsin; two years after entry into W-2, only 18 percent of participants were still receiving cash benefits.

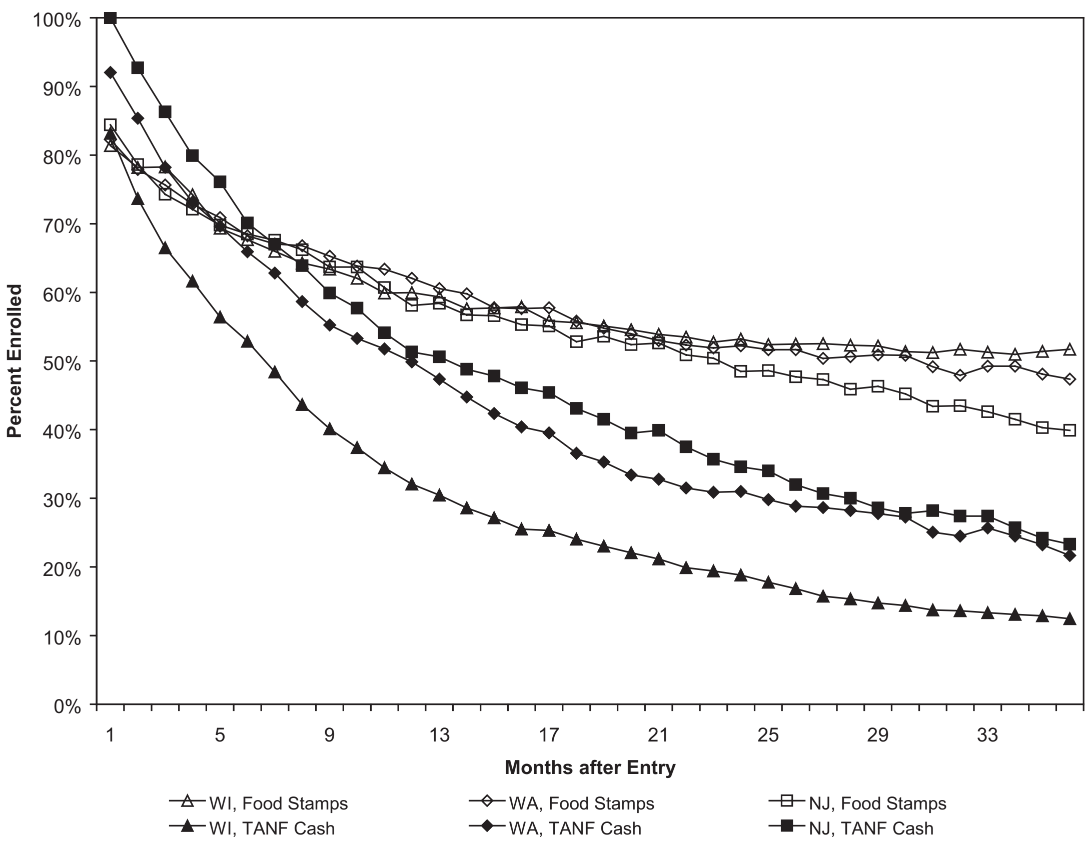

Figure 1. Participants in TANF and Food Stamps for three years after program entry, New Jersey (NJ), Washington (WA), and Wisconsin (WI).

Food stamp receipt, in contrast, followed a more similar pattern in the states. In each, around 80 percent of survey participants were receiving food stamps when they entered the study, and in each, participation rates after two years had declined to about 50 percent in all states. It is striking from the figure that the percentage receiving food stamps at the end of the follow-up period is substantially lower in New Jersey than in the other two states. Perhaps New Jersey had more difficulties than the other states keeping those who left TANF and remained eligible for food stamps on the Food Stamps rolls, or perhaps this reflects slightly higher income levels in New Jersey.

Public assistance and employment

As women moved off public assistance, did they move into the labor force, or are they relying on other sources of income? Did women receive TANF and move into work? We examine these questions in Figure 2, using administrative data for both earnings and TANF, and consider points in time about one, two, and three years after TANF entry.[7] In each state, the proportion of women who have earnings and no TANF increases, while the number who have TANF only declines, as does the number receiving income from both sources. The proportion employed without TANF is highest in Wisconsin—58 percent in the third year, compared to 44 percent in Washington and 40 percent in New Jersey. The percentage that have neither earnings nor TANF increases over the period, and is highest in New Jersey. But what are we to conclude from New Jersey's higher figure? This question highlights the difficulty in drawing firm conclusions from these data. Perhaps New Jersey's higher figure reflects more mobility to other states, which would result in more women not being found in the administrative data. Perhaps New Jersey's administrative data system covers fewer types of employers; then fewer women will show formal earnings, even though there may be no real difference among states. Or perhaps the difference really reflects a higher proportion of women living without earnings or TANF, either because they are receiving SSI or because they are living without visible means of support.

Income

Survey reports of income can help to disentangle whether differences found in administrative records are due to differences in the data source or real differences in economic well-being.[8] However, as noted above, the surveys covered different time periods; for example, New Jersey did not survey recipients in the first year, Washington and Wisconsin did. Figure 3 shows that in each state mean incomes increase over time. In each state, moreover, a woman's own earnings are always the largest source of income and increase over time. Declines in TANF and food stamps are substantial, but increases in the other sources more than make up the difference.

Although incomes on average increase over time, this average masks a substantial amount of variability for

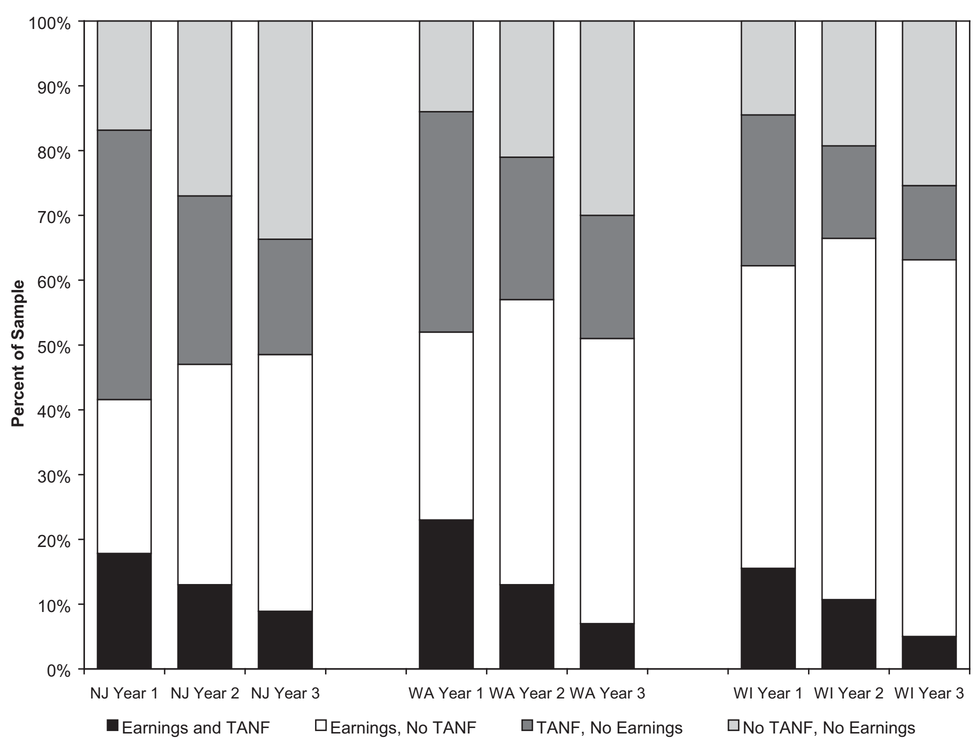

Figure 2. Employment and assistance over time, New Jersey (NJ), Washington (WA), and Wisconsin (WI).

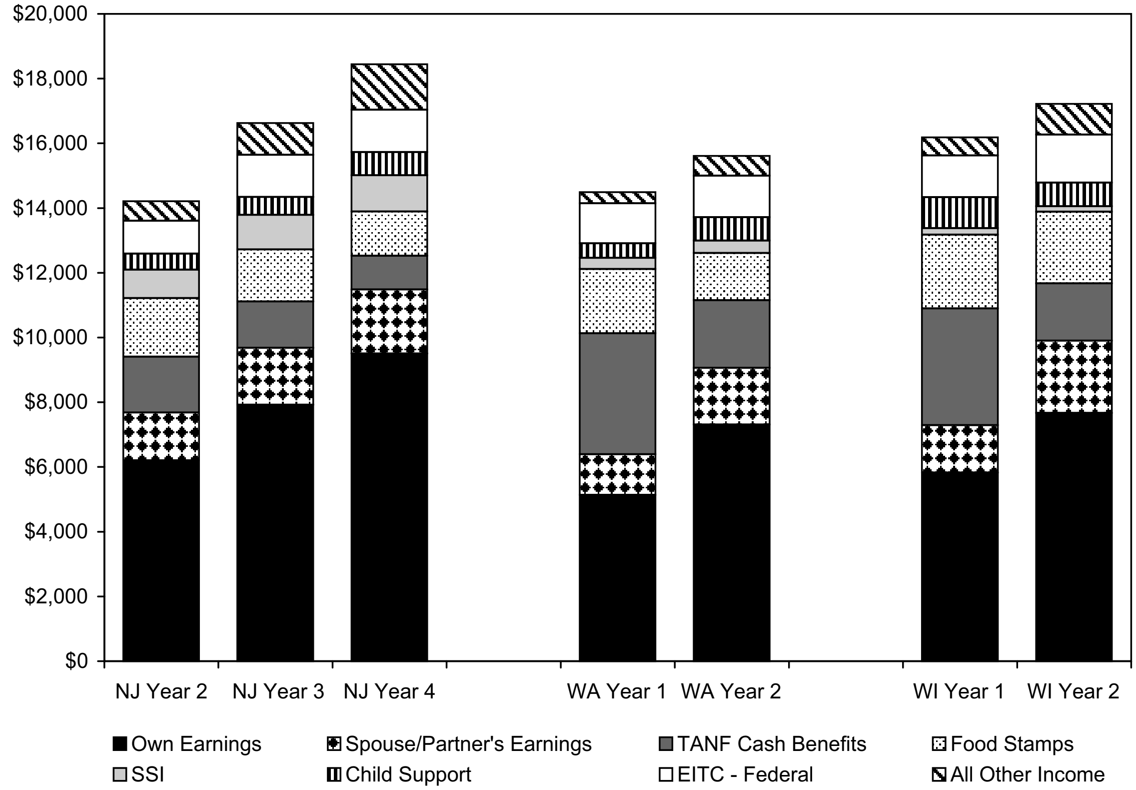

Figure 3. Mean income over time, New Jersey (NJ), Washington (WA), and Wisconsin (WI).

individual women. In each state, about 20 percent of the women lost at least $1,000 in earnings from the first year to the second, in contrast to the over 40 percent that gained at least $1,000. Similarly, about 60 percent lost at least $1,000 in TANF plus food stamps, but about 10 percent gained at least $1,000.

Despite the general resemblance in income patterns, there are important differences among the states. Income increases most dramatically in New Jersey, by about $2,000 between the first two years, compared to about $1,000 in Washington and Wisconsin. New Jersey also shows considerable increases in the third year, but comparable data do not exist for the other states. Washington has the lowest levels of income, perhaps because the survey has a higher share of long-term recipients in the sample.

In the area of economic well-being for this population, most attention has been focused on earnings, TANF, and food stamps. What of the other sources of income? Although none is as large as earnings, in the aggregate they are as important as TANF and food stamps. In the last year of data for each state, for example, TANF benefits are about $1,000–$2,000, and food stamps are about $1,500–$2,200. Three other sources that provide an average of at least $1,000 in at least one state are the earnings of a spouse or partner ($1,800–$2,200), SSI ($1,100 in New Jersey), all other income ($1,400 in New Jersey) and the federal EITC ($1,300–$1,500).

Only a small minority of women receive income from these other sources, so those that do receive substantial amounts. For example, again in the last year of data, only 13–15 percent of women in New Jersey and Wisconsin had a spouse or partner with earnings, but the average amount of income from this source was $15,000–$17,000. Washington's figures include other adults living with the respondents as well as a spouse or partner, and thus show more women with income from this source (29 percent), and lower amounts ($7,000).

What are the chances of escaping from poverty?

Increased employment and income improved the economic circumstances of the families in these samples but did not, for large proportions, translate into an escape from poverty. In New Jersey, where incomes were highest, about half of families in the sample were still in poverty at the end of the period (Figure 4). Although poverty rates improve over the period in each state, they remain high: in the second year, 41 percent in Washington and 51 percent in Wisconsin had incomes below the federal poverty level. Even more troubling, in all three states substantial proportions were very poor: 16 percent of families in New Jersey, 14 percent in Washington, and 20 percent in Wisconsin had incomes lower than half of the poverty threshold, and in Washington and Wisconsin this group grew over the two-year period.

Predicted employment and poverty

What are we to make of the comparisons we have constructed here? Although we have tried to make the data as comparable as we can, it is still difficult to know what to conclude from remaining differences. Do these differences in outcomes reflect differences in the socioeconomic or policy environments of the states, as opposed to differences in the individual characteristics of participants? Welfare participants are not randomly assigned to the states in which they live, and state policies may develop in response to the particular socioeconomic challenges of the state's welfare population. We cannot, therefore, hope to fully parcel out the effects of these complex sets of circumstances. But we can use the information we have to estimate the relationship between background characteristics and outcomes in each state. We can then attempt to answer the question: What are the chances that a woman with a particular set of observed characteristics would fare better in one state than in the others?

We used multivariate analyses to determine how the likelihood of two outcomes, (1) being employed and off TANF and (2) having income above the poverty threshold, varied across the states for a woman with a particular set of basic demographic characteristics (Table 3).[9] For the base case, women in Wisconsin are predicted to be the most likely to be employed and off TANF, and to be above poverty. New Jersey and Washington have similar rates of employment and TANF receipt, but women are much more likely to be above poverty in Washington than in New Jersey.

We then recalculate our estimates for being employed, off TANF, and above poverty for women who vary from the base model in specific ways. In all states, participants with less than a high school education fare substantially worse; African American women with similar characteristics are more likely to be poor in New Jersey and Wisconsin, but not in Washington. Within states, those never married and those who were married but are currently single fare about the same, as do those with more children or older children.

Conclusions

This article presents the initial results of an effort to bring together a team of researchers from different states in order to use existing data on welfare recipients to construct similar measures. Although we began with surveys constructed for different purposes, covering different populations, and different time periods, we believe we have generally compared "apples and apples." This raises the hope that a more comprehensive effort could go fur-

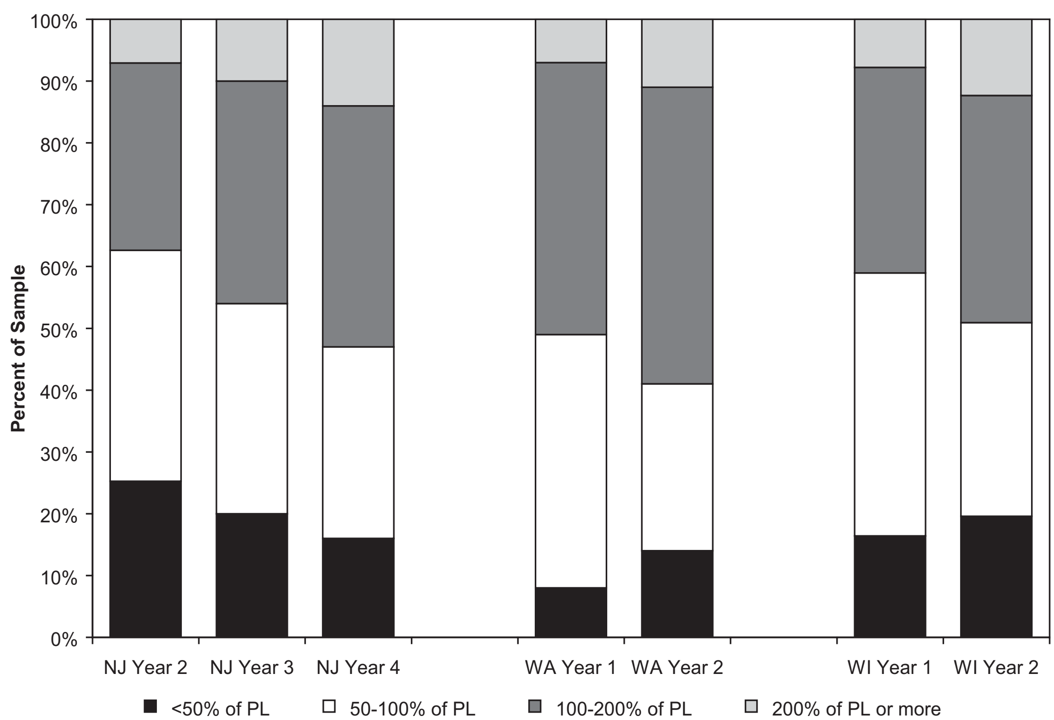

Figure 4. Poverty rates over time, New Jersey (NJ), Washington (WA), and Wisconsin (WI).

Table 3
The Predicted Probability of Being Employed and out of Poverty for Hypothetical Family Types

	Predicted Probability of Being Employed and off TANF in Year 2 (%)			Predicted Probability of Being above the Poverty Line in Year 2 (%)		
Hypothetical cases	New Jersey	Washington	Wisconsin	New Jersey	Washington	Wisconsin
1. Age 20–29, white, high school education, never married, two children, youngest under age 3, some work in the 2 years before TANF entry	52	51	81	50	70	79
2a. African American, all else as in 1	54	54	72	39	71	70
2b. Hispanic, all else as in 1	46	–	–	47	–	–
3. Less than high school, all else as in 1	33	36	64	37	37	62
4. Ever married, all else as in 1	55	51	80	57	52	82
5. 3 children, all else as in 1	52	45	81	52	72	74
6. Youngest child aged 3–5, all else as in 1	57	56	81	55	53	75
7. No work experience, all else as in 1	37	31	68	40	76	66

Note: Figures calculated using results from a series of logistic regressions.

ther than we have, and eventually result in the ability to make useful cross-state comparisons that capture differences in outcomes rather than in measurement or data sources. These comparisons would be useful for addressing a variety of research questions.

The more difficult issue for policymakers, though, is whether these cross-state comparisons can tell us anything about the success of different policy régimes. We are less optimistic on this front. Our initial steps, predicting levels of success for women with similar characteristics, tend to show substantial differences across the states. But is this due to the differences in policy regimes, or to some other factors? More work remains to be done: we need to consider alternative specifications, data issues, and the potential for combining these data with insights derived from elsewhere—from studies designed to be comparable across states, from implementation studies, and from ethnographic studies.

We are struck by the similarities rather than the dissimilarities in outcomes across states. Despite the differences in the programs, the characteristics of recipients, and the economic environment across these states, measured levels of income are roughly comparable. The data tend to tell the same story: benefits decrease over time, but earnings and other sources more than compensate, so that total income is higher. (Of course, most of these women now face some expenses associated with work, and have less time available to care for their families, so their real level of well-being may actually be lower.) In each state, poverty rates are improving, but remain stubbornly high. Thus the challenge of designing programs that can move single-parent families from difficult circumstances into modest levels of economic success remains unresolved. ■

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[1]This article was drawn from papers prepared for the annual meeting of the Association for Public Policy Analysis and Management in Dallas, TX, November 2002. After the session, Cancian, Meyer, Klawitter, Rangarian, and Wood incorporated the comments of Wallace, who was the technical discussant for the session. The authors wish to thank Wendell Primus, who served as the policy discussant for the session; this article reflects some of his insights as well.

[2]The notable exception is an effort to study welfare leavers; the Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services (DHHS-ASPE) sought to coordinate studies in several states. See G. Acs and P. Loprest, with T. Roberts, *Final Synthesis Report of Findings from ASPE "Leavers" Grants*, Urban Institute report to DHHS-ASPE, Washington, DC, November 2001.

[3]These differences are characterized in a review of TANF programs in nine states by Thomas Kaplan. T. Kaplan, "TANF Programs in Nine States: Incentives, Assistance, and Obligation," *Focus* 22, no. 2 (Summer 2002): 36–40.

[4]The research of which these surveys are a component is described and reported on the following Web sites: New Jersey, <http://www.mathematica-mpr.com./3rdLevel/wfnjrevblurb.htm>; Washington, <http://www.wa.gov/WORKFIRST/about/research.htm>; Wisconsin, <http://www.ssc.wisc.edu/irp/csde/childsuppt-pass.htm>. All figures based on the surveys were weighted to correct for survey stratification and nonresponse in New Jersey and Wisconsin. The response rate in the New Jersey surveys was 81 percent for the first-round survey and 80 percent for both the second- and third-round surveys, and in Wisconsin it was 82 percent. Washington's raw completion rate was 30 percent, but in part this reflects the fact that researchers did not try to interview those for whom there was no working phone number; the completion rate among those with working phones was 57 percent.

[5]New Jersey, Washington, and Wisconsin are among the states being surveyed as part of the Urban Institute program, Assessing the New Federalism. In August-September 2001, changes to the TANF and associated programs in these states were reported in State Updates 6 (Washington), 7 (New Jersey), and 8 (Wisconsin). See the Institute's "Assessing the New Federalism" website, at <http://www.urban.org/Content/Research/NewFederalism/StateFocus/StateFocus.htm>

[6]At any point in time, the public assistance caseload will include a higher proportion of long-term than of short-term recipients. In general, long-term recipients tend to be more disadvantaged individuals with greater barriers to work.

[7]More specifically, New Jersey's data are from the fourth, eighth, and twelfth quarters after entry; Washington's data are from the first quarter of 2000, 2001 and 2002; and Wisconsin's data are from the first quarter of 1999, 2000, and 2001.

[8]For the survey results to be comparable, for example, there needs to be some level of assurance that respondents who are now out of state responded to each survey. All surveys attempted to interview those sample members that were out of state.

[9]In each state, these estimates come from a multivariate analysis of being above poverty, using survey measures of poverty. The estimates for being off TANF and employed are based on a combination of survey and administrative data; the measure of having earnings in Washington comes from the administrative data, whereas in New Jersey and Wisconsin it comes from the survey.

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Successful welfare-to-work programs: Were Riverside and Portland really that good?

Robert Walker, David Greenberg, Karl Ashworth, and Andreas Cebulla

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Because work, not cash assistance, is now at the center of the social safety net, it is crucial that we understand which programs might be effective, and to what extent, in moving welfare recipients into stable jobs. But following the shift in primary welfare policymaking to state and local agencies, welfare-to-work programs of all shapes and styles have proliferated, making it more difficult to identify successful strategies. The federal Balanced Budget Act of 1997, for example, authorized $3 billion in grants to states and local communities to promote job opportunities and employment preparation for the hardest-to-employ recipients of Temporary Assistance for Needy Families (TANF) and for noncustodial parents of children on TANF. Under this law alone, by the year 2000, over 700 public and private organizations were running programs, varying widely in their goals, their implementation, and their scope.[1] And these programs constitute only a fraction of the many local and state welfare-to-work initiatives currently in place.

Policymakers seeking better employment strategies have much previous experience to draw upon, but the lessons of that experience are not necessarily clear nor very encouraging. Most evaluations have concluded that welfare-to-work programs have only modest positive effects on participants' earnings and welfare receipt. Two programs, however, one in Riverside, California, and the other in Portland, Oregon, have emerged as "clear winners" in comparative studies, producing unusually large earnings gains and taxpayer savings and, in Portland, more stable employment and higher wages.[2] As a consequence, both have been considered worthy of imitation by welfare agencies throughout the United States and in some European countries. Indeed, the favorable results from Riverside were influential in shaping the work emphases of the TANF legislation itself.

The research reported here asks whether these programs *should* be emulated.[3] Using analytic tools from meta-analysis (see the box on p. 12) and a unique database assembled specifically to synthesize findings from evaluations of welfare-to-work programs, we examine alternative explanations for the large effects on earnings and welfare receipt found for the Riverside and Portland programs. We ask if the exceptionally favorable results from the programs are based on superior design and implementation—for example, the combination of services and sanctions put into effect—or are instead due to factors not under the control of program administrators, such as favorable socioeconomic conditions or the characteristics of those in the recipient population. Finally, we examine the possibility that sampling errors account for some of the results.

Because it is likely that each explanation is to some extent responsible, our goal in this research was to sort out the relative contributions of the program designs and of factors outside the control of the program administrators.

For our study, we assembled data on 24 mandatory welfare-to-work programs that were implemented between 1982 and 1996—that is, before the introduction of TANF, and while the main cash welfare program was Aid to Families with Dependent Children (AFDC). We included only programs evaluated using random-assignment designs, the "gold standard" of evaluation methodology.[4] The 24 evaluations provide information about 64 welfare-to-work programs in over 50 sites. In each evaluation the sample population was composed entirely or almost entirely of single parents, well over 90 percent of whom were female. We inflated all the financial information that we used to year 2000 dollars, using the Consumer Price Index (CPI-U).

From the evaluations themselves we gathered information on the characteristics of the program participants, measures of program effects on earnings and welfare recipiency, and measures of program effects on sanction rates and on the receipt of different services (which we call "net program participation rates"), generally computed as differences between the program and the control groups. From official sources, mainly the U.S. Census Bureau and the Bureau of Labor Statistics, we extracted socioeconomic data for the relevant areas, mostly states and counties—site unemployment and poverty rates, the workforce in manufacturing, median household income, and the size of welfare benefits. Most of the evaluations in the study measured program effects for only two years or less; thus we chose to focus on the third and seventh quarters after random assignment.

Meta-Analysis

Meta-analysis refers to a family of procedures for systematically encoding and analyzing the quantitative findings from a set of empirical research studies addressing the same topic. In its sophisticated forms, meta-analysis extracts detailed and differentiated information about the quantitative findings of each study and incorporates it in a database along with coded information about important features of the source study. That database is then statistically analyzed to investigate the distribution of findings across studies and the relationships between those findings and the characteristics of the studies that generated them. It should be noted that meta-analysis appears under many labels, including quantitative synthesis, research synthesis, and research integration. . . .

Meta-analysis can perhaps be best understood as a form of survey research in which research reports, rather than individual people, are surveyed. A coding form (survey protocol) is developed, a sample or population of research reports is gathered, and each research study is "interviewed" by a coder who reads it carefully and codes the appropriate information about study characteristics and study findings onto the coding form. The resulting data are then computer-analyzed using special adaptations of conventional statistical techniques to investigate and describe the pattern of findings in the selected set of studies.

From: M. Lipsey and D. Wilson, *Practical Meta-Analysis* (Thousand Oaks, CA: Sage, 2001), Chapter 1.

The success of Riverside and Portland

In general, welfare-to-work programs have emphasized one of two possible routes to employment: work first or education and training first (the latter is generally called the "human capital" model). Work-first programs emphasize job search, often with a strong message that even a poorly paid job is better than no job, and that a minimum of education and training will be provided only as a last resort. Human capital programs use education (particularly adult basic education) and training to upgrade the skills of welfare recipients before they seek work, so that they may obtain stable, well-paid jobs. The Riverside and Portland programs generally adhered to the work-first model, but differed in several crucial respects both from that model and from each other.

Work first, with modifications

Riverside County was one of six counties included as part of the evaluation of California's Greater Avenues for Independence (GAIN), a job search and training program for AFDC recipients initiated statewide in 1986. The Riverside program placed much greater emphasis on work than the other five counties, which to varying degrees adopted a human capital approach, and the strong positive findings for Riverside are widely perceived as a validation of work-first approaches. Unlike most work-first programs, however, Riverside put much effort into training for those who did not immediately find work and case management and job search services for those who did.

The Portland program is one of the 11 evaluated programs included in the National Evaluation of the Welfare-to-Work Strategies (NEWWS) supported by the U.S. Department of Health and Human Services; these programs vary considerably in their designs.[5] Like most welfare-to-work programs, Portland emphasized to recipients that their goal is a job. Unlike most welfare-to-work programs, it encouraged them to wait until they could find a "good" job and, as in human capital programs, it encouraged clients in need of more skills to enroll in education or training first.

Program effects

In the Riverside and Portland programs, effects on participants' earnings were much higher and welfare participation was much lower than the average for all other sites evaluated—for convenience, we refer to this average as the "typical site." In Riverside, those participating in the welfare-to-work experiment (the experimental group) earned on average $300 more than those who did not participate (the control group) in both the third and seventh quarters after they entered the program; in the typical site, the difference between experimental and control groups was $100 or less. In Portland, the advantage was initially not so great—$189—in the third quarter, but by the seventh quarter, those participating also earned over $300 more than nonparticipants. The Portland program appears to have been more effective than Riverside in moving people off welfare. By the seventh quarter, welfare receipt among Portland participants was down 11.6 percentage points, as compared to the control group; this is six times more than the decline in welfare use at a typical site (less than 2 percentage points). In Riverside the decline in welfare receipt owing to the program, 5.3 percentage points, was still considerably more than the decline at the typical site.

Explaining the sources of difference

Before seeking to explain why Riverside and Portland seem to have been so successful, it is necessary to understand what factors are important in explaining differences in program effects across all 64 programs included in the database. We focused on two program outcomes, earnings and welfare receipt, and our systematic comparison began with the calculation of a series of "meta-regression" equations computed for the third and seventh quarters after participants were randomly assigned to the evaluation. The intention was to determine the potential sources of variation in the estimates of the effects of the different welfare-to-work programs.

There are three sources of such variation:

- Measured factors—used as the explanatory variables in the analysis. These include the characteristics of the program, the sample population enrolled in the program, and the program site itself.
- Unmeasured factors—these might include aspects of the program design or the quality of leadership in particular welfare offices within the potential control of program administrators. They might also include other phenomena about which administrators could do nothing, such as unmeasured features of the local demography or labor market.
- Sampling error—the results for individual evaluations were based on samples of the recipient caseloads; the larger the samples, the smaller the sampling error is likely to be. Cross-program variation in the estimates of effects that is due to sampling error does not result from systematic differences among programs and can tell us nothing about the quality of those programs; it is merely the "luck of the draw."

When we later seek to explain the exceptionally large effects of the Riverside and Portland programs, the relative weight of these three elements is important. If unmeasured factors are prominent, for example, we can be less certain about the source of the strong program effects. These effects might come from factors under the control of administrators, or they might not.

Our meta-regressions reveal that the size of the program effect on earnings and welfare receipt is statistically significantly related to several program characteristics and to some features of the site and caseload.[6] We consider these two outcomes separately because the pattern of relationships was distinct in each case. In discussing these relationships, we focus mostly on the results for the seventh quarter, by which time any effects of the programs were usually clearly evident.

What affects earnings?

Program characteristics. Higher levels of job search and sanctioning both have a significant effect on earnings. If, for example, participation in job search in a welfare-to-work program is increased by 10 percentage points, and other factors are held constant, the effect of the program on seventh-quarter earnings will rise by about $20. A similar rise in sanction rates will typically increase the effect that the program has on seventh-quarter earnings by considerably more ($60). In contrast, increases in participation in basic education do not significantly affect participants' earnings, and increased vocational training actually seems to reduce program effects on average earnings.

Some welfare-to-work programs incorporated financial incentives in their design—for example, by increasing the amount of earnings disregarded in calculating AFDC entitlement. These, we find, reduce program earnings effects. Although the decreases are only marginally significant, they make it hard to argue for the effectiveness of financial incentives as a tool to *increase* earnings.

Client and site characteristics. The success of programs is related to caseload characteristics—for example, the age and race of participants. In the seventh quarter, earnings effects were $76 lower in programs in which participants were, on average, younger than 30 than they were for programs with an older clientele. Race and ethnicity also matter—for example, a program with a 10-percentage-point higher proportion of non-Hispanic whites was found to have an effect on earnings that was $16 higher during the third quarter and $10 higher during the seventh quarter than an otherwise similar program.

Among local economic conditions, the unemployment and poverty rates were, not surprisingly, influential. For each percentage-point increase in the unemployment rate, for example, seventh-quarter program earnings effects shrank by about $10.

Taken together, the characteristics of the program, the participants, and the site that we are able to measure can account for around half of the variation in program earnings effects during both the third and the seventh quarters. Equally important, tests suggested that little of the remaining unexplained variation can be attributed to unmeasured effects; instead most is due to sampling error.

What affects welfare receipt?

Program characteristics. The effect of welfare-to-work programs in reducing the receipt of welfare was typically small, less than 2 percentage points on average. There was, however, wide variation among programs in their effects on this outcome, and by the seventh quarter, sanctioning, participation in job search, and vocational training all had sizable, positive, and statistically significant effects on this variation. For example, if the rate at which participants in a program were sanctioned was raised by 10 percentage points, the effect was to increase the amount by which welfare receipt was reduced by 1.7 percentage points.

Programs that offer financial incentives do not appear so effective at reducing welfare rolls as those which do not; the provision of financial incentives lowers the effect of a program in reducing caseloads by nearly 8 percentage points in both the third and seventh quarters. This is probably because such incentives usually increase the amount of earnings that can be disregarded, allowing people to earn more yet remain on the welfare rolls. Programs with time limits do not affect earnings, but seem to have a substantially greater effect on reducing welfare receipt than programs without time limits, even though no participants had actually reached a time limit by the seventh quarter in any program we examined that included a limit.

Client and site characteristics. Race is again significant; a welfare-to-work program with a 10-percentage-point higher proportion of non-Hispanic whites than an otherwise similar program will see rates of welfare receipt drop by almost a percentage point more. However, unlike the program effects on earnings, the effectiveness of programs in reducing caseloads seems unrelated to any of our four measures of socioeconomic site characteristics (the local unemployment rate, the percentage employed in manufacturing, median household income in the area, and the poverty rate).

Our meta-regressions suggest that less than half of the variation in the effects that programs had on welfare receipt during the third and the seventh quarters is explained by characteristics that we can measure; much of the remainder appears attributable to unmeasured factors. For welfare receipt, sampling error appears to make a much smaller contribution to unexplained variation in program effects than it does for earnings.

Why do Riverside and Portland excel?

Having established the characteristics likely to influence program effects at a typical site, we can begin to explore the features that set Portland and Riverside apart. If their exceptional performance is not simply due to sampling error, these programs must have differed systematically from the typical site in some aspects of their design, in the characteristics of participants, or in those of the sites themselves. Most likely, some combination of characteristics will prove to have been in play.

Our analysis showed that, compared to a typical site, the welfare-to-work program in Riverside was characterized by high rates of participation in job search and low use of vocational training and work experience, clearly underlining its work-first focus. But sanction rates were relatively low and the use of basic education services comparatively high. Participants tended to be older and more likely to be employed at the time they were assigned to experimental status; a larger proportion was white (51 percent versus 37 percent for the typical site) and a somewhat smaller proportion female. Finally, in Riverside the poverty rate was substantially lower than that in the typical site (12 percent compared to 15 percent in the seventh quarter) and the unemployment rate was a little higher (7 percent compared to 6 percent in the typical site in the seventh quarter).

Table 1
Sources of Difference in Program Effects between Riverside/Portland and the Typical Welfare-to-Work Site

	Contribution to Percentage Difference from the Typical Site, 7th Quarter after Random Assignment			
	Earnings		Welfare Receipt	
Characteristic	Riverside	Portland	Riverside	Portland
Program Characteristics				
Sanctions	-6.86	12.48	-16.58	8.50
Job Search	12.82	9.28	38.58	9.60
Basic Education	-2.21	0.38	-14.33	1.13
Vocational Training	8.84	-8.05	-53.36	14.86
Work Experience	-1.94	2.07	17.80	-4.99
Financial Incentives	7.25	7.34	67.41	23.40
Time Limits	ns	ns	-5.39	-1.87
Participant Characteristics				
% White	3.85	11.80	23.40	22.94
% Young[a]	13.05	13.21	-6.84	-0.82
% Female	ns	ns	24.08	-2.90
Site Characteristics				
Unemployment Rate (%)	-3.98	10.42	ns	ns
Poverty Rate (%)	36.62	17.75	ns	ns
Total Observed Difference	100	100	100	100
Total "Explained" Difference[b]	39.29	62.21	39.39	71.76
Due to program design	17.90	23.50	34.12	50.62
Due to other factors	21.39	38.71	5.27	21.14
Unexplained difference	60.71	37.79	60.61	28.24

[a]Percentage under age 30 for earnings, under age 25 for welfare receipt.

[b]Sum of all characteristics examined, including some not listed above.

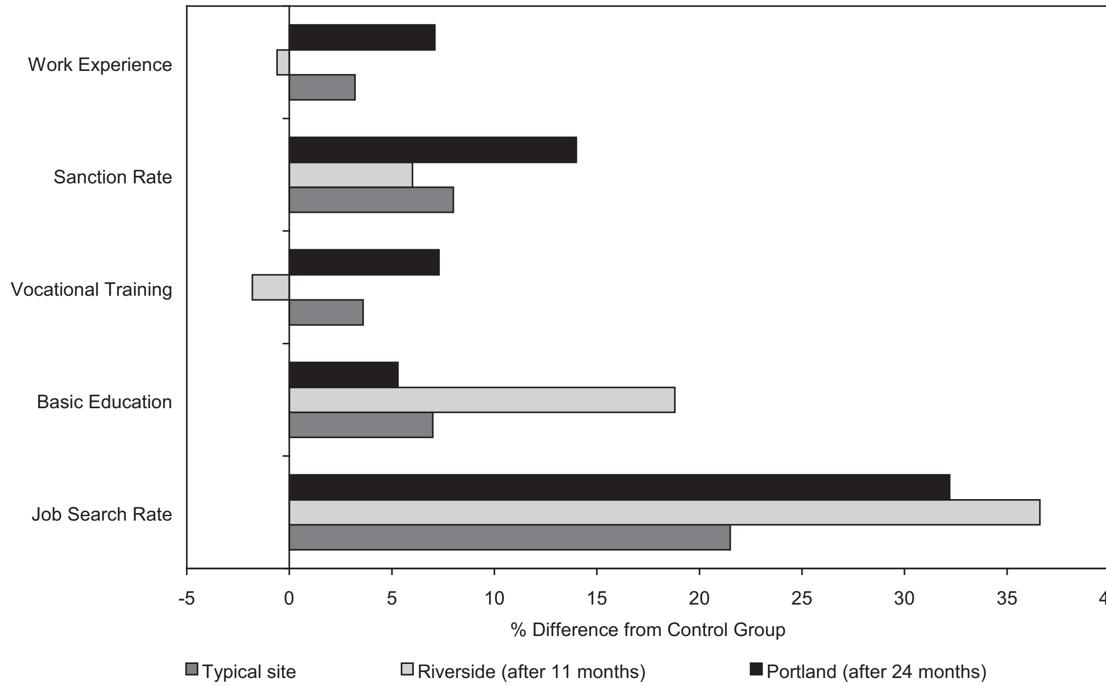

Figure 1. Net difference in program services between Riverside/Portland and the typical welfare-to-work site.

Note: Because members of the control group, as well as members of the treatment group, are subject to sanctions and members of the control group sometimes receive services similar to those received by members of the treatment group, program characteristics are measured in "net" terms—that is, the difference in sanction and service rates between the program and the control group.

The Portland program, like Riverside's, placed much more emphasis on job search than the typical site, but incorporated a larger measure of education and training services. Where Riverside focused on basic education, Portland's program emphasized vocational training and work experience, and its sanction rates were high—almost twice those in the typical site. The proportion of participants who were white was much larger (nearly 70 percent). The poverty rate stood at 13.5 percent in the seventh quarter, and unemployment in the area was much lower (3.7 percent).

Neither Riverside nor Portland provided any financial incentives; nor did the programs incorporate time limits.

Our analysis suggest that several program features made especially important contributions to the large effects of both these programs on earnings and welfare receipt (Table 1). These include the relatively heavy reliance on job search and the absence of financial incentives. The absence of time limits reduced the effect of these programs on the receipt of welfare. Moreover, Portland's stress on vocational training appears to have substantially reduced the effect of the program on caseload size, whereas Riverside's limited use of sanctions curtailed that program's effect on average earnings (see Figure 1).

But it is additionally evident that the particular characteristics of Riverside's and Portland's caseloads also contributed to their relative success during the seventh quarter. In both sites, caseloads were slightly older than the norm and mostly white (see Figure 2). Moreover, the relatively high proportion of male-headed families in the Riverside caseload also contributed to the larger than average effect of the program on the receipt of welfare. Furthermore, low poverty rates and, in Portland, lower than average unemployment also contributed to the apparent success of the two programs in raising wages, although neither of these two factors seemed important in explaining success in reducing caseloads.

Although we have established that the success of Riverside and Portland is attributable to particular mixes of program design, caseload characteristics, and site characteristics, it is also evident, from the summary provided in the last five rows of Table 1, that these factors do not tell the whole story. Moreover, it is apparent that we are better able to explain Portland's success in the seventh quarter than Riverside's and that, in Portland, we can explain more of the difference in earnings than the difference in welfare receipt. Indeed, as much as 60 percent of the above-average performance of Riverside remains unexplained.

At this juncture, it is useful to take a somewhat broader look at the findings. We do this in Table 2, which, in panels A and C, presents the same summary statistics for the seventh quarter that appear at the bottom of Table 1 (columns 3 and 4) but expands them to include the third quarter (columns 1 and 2).Furthermore, panels B and D of the table provide summary statistics from a second set of meta-regressions that we computed. This alternative set of regressions includes most of the explanatory variables that we were able to measure, whereas the first set of regressions is limited to only those variables which we strongly anticipated would influence program effects, and which actually did seem to exert such an influence.[7]

Because the number of explanatory variables in the second set of regressions is large relative to the number of programs in our database, the estimates of the effects of individual variables are sometimes difficult to interpret. However, as a comparison of row 5 in panels A and B and in panels C and D suggests, the second set of regressions explains rather more of the relatively large effects of Riverside and Portland. Indeed, in two instances—welfare receipt in the third quarter for Riverside and Portland—one of the alternative regressions actually "overexplains" the total observed difference between these sites and the typical site, though not by much. Taken very literally, this would imply that Riverside and Portland should have done even better in the third quarter than they actually did.

Row 2 in each panel of Table 2 indicates that, except for the seventh quarter for Riverside, both sets of regressions explain approximately two-thirds to three-quarters of the total observed difference in program impacts between Riverside or Portland and the typical site. As previously mentioned, most of the unexplained differences for earnings probably result from sampling error and, consequently, little can be attributed to unmeasured differences in program design or to other unmeasured factors. In contrast to earnings, much of the unexplained difference for the receipt of welfare is probably attributable to variables that were not measured.

The key implication of Table 2 is suggested by a comparison of row 3 with row 4 in each panel. Six of the eight comparisons that are possible in panels A and B imply that various contextual factors associated with client and site characteristics were at least as important as program design in accounting for Riverside and Portland's extraordinary success in increasing the earnings of program participants. In marked contrast, all but one of the eight comparisons that are possible in panels C and D imply that most of Riverside and Portland's exceptional success in reducing the percentage of program participants on the welfare rolls is attributable to program design features. Indeed, in three instances, there are negative signs in row 4, implying that observed client and site characteristics actually tended to reduce Riverside's effect on welfare participation.

Thus, it appears that the design of the programs in Riverside and Portland contributed considerably more to their

Table 2
The Percentage Contribution of Program and Contextual Characteristics to the Difference in Program Effects between Riverside/Portland and the Typical Welfare-to-Work Site

	QUARTER 3		QUARTER 7	
	Riverside(1)	Portland(2)	Riverside(3)	Portland(4)
A. EARNINGS: REGRESSION 1				
1. Total observed difference	100.00%	100.00%	100.00%	100.00%
2. Total "explained" difference	63.05	88.00	39.29	62.21
3. Due to program design	31.49	27.77	17.90	23.50
4. Due to other factors	31.56	60.23	21.39	38.71
5. Unexplained difference	36.95	12.00	60.71	37.79
B. EARNINGS: REGRESSION 2				
1. Total observed difference	100.00	100.00	100.00	100.00
2. Total "explained" difference	82.52	80.07	79.90	74.33
3. Due to program design	19.16	46.04	28.68	44.45
4. Due to other factors	63.36	34.03	51.22	29.88
5. Unexplained difference	17.48	19.93	20.10	25.67
C. WELFARE RECEIPT: REGRESSION 1				
1. Total observed difference	100.00	100.00	100.00	100.00
2. Total "explained" difference	73.17	78.21	39.39	71.76
3. Due to program design	106.97	45.90	34.12	50.62
4. Due to other factors	-33.80	32.31	5.27	21.14
5. Unexplained difference	26.83	21.79	60.61	28.24
D. WELFARE RECEIPT: REGRESSION 2				
1. Total observed difference	100.00	100.00	100.00	100.00
2. Total "explained" difference	117.36	123.89	42.08	80.64
3. Due to program design	135.54	45.40	75.08	59.00
4. Due to other factors	-18.18	78.49	-33.00	21.64
5. Unexplained difference	-17.36	-23.89	57.92	19.36

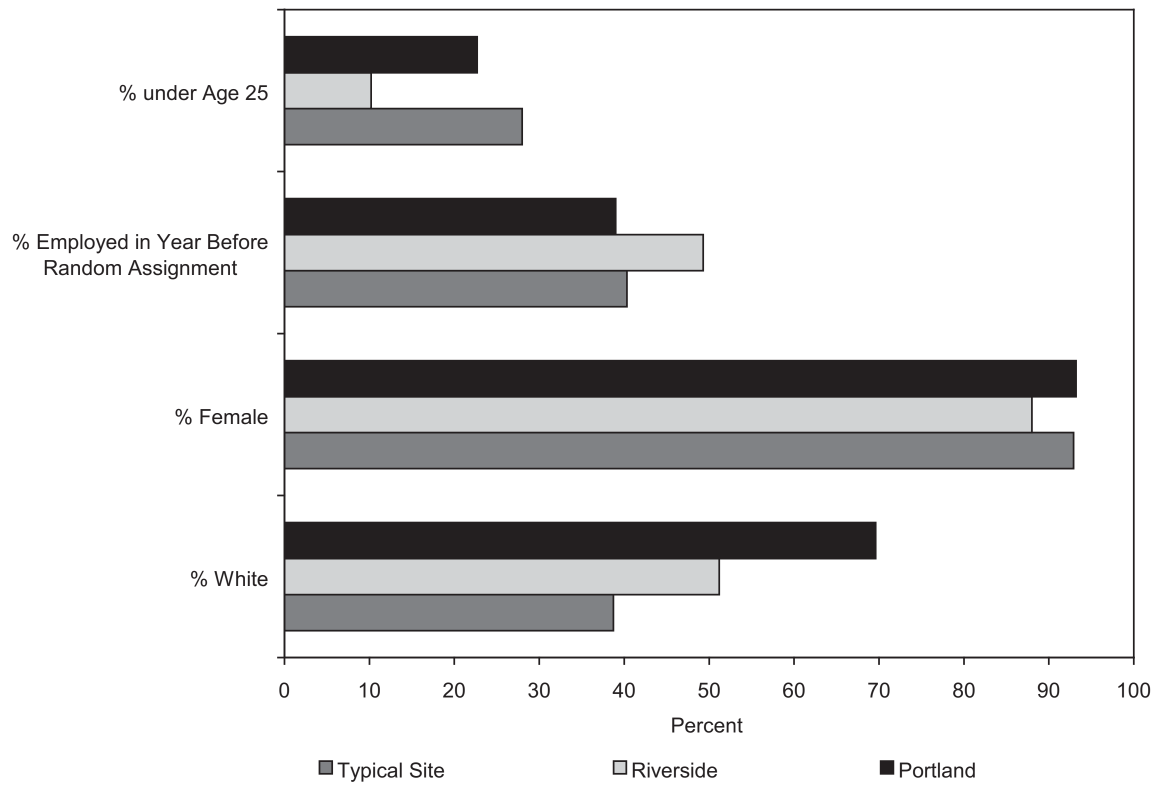

Figure 2. The characteristics of participants in the Riverside and Portland programs, compared to those in the typical welfare-to-work site.

relatively large impacts on welfare receipt than to their exceptionally sizable impacts on earnings. Perhaps it is not surprising that those responsible for administering welfare can exercise more control over whether recipients continue to receive benefits than over the earnings that the recipient population receives.

To conclude, we have dispelled a little of the mystique attached to the well-publicized success of the Riverside and Portland welfare models. We have shown that only a part is due to the design of these programs and hence is under administrative control. A quantifiable portion of apparent achievement is also due to the characteristics of the caseload and economic conditions in the two sites. With hindsight, the importance of setting may be obvious, but we have nevertheless been able to point to specific factors that matter. Also, the findings caution against the expectation that replicating the Riverside or Portland program models is likely to generate equally impressive results in different settings.

The findings further suggest that some of the observed differences between Riverside and Portland and other sites are probably attributable to sampling error, to the "luck of the draw," especially in the case of impacts on earnings. This highlights the danger of simply comparing effects estimated in an evaluation of one program with those obtained from an evaluation of another, and then declaring one a "winner" and the other a "loser," even though both evaluations are based on random assignment and are otherwise of high quality.

Finally, we have identified steps that program administrators can take to improve the effectiveness of their programs. For example, if a program increases participation in job search and imposes higher sanctioning rates, the welfare rolls drop and earnings increase, whereas the presence of financial incentives appears to retard movement off the welfare rolls. However, the evidence suggests that program administrators have considerably more control over using welfare-to-work programs to push families off the welfare rolls than they do over using these programs to increase the earnings of program participants, where client and site characteristics play a much more important role. ■

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[1]The Welfare to Work grants program has been evaluated for the U.S. Department of Health and Human Services by Mathematica Policy Research, Inc. An overview of the evaluation and links to final reports is on the DHHS web site at <http://aspe.hhs.gov/hsp/wtw_grants_eval98/>.

[2]J. Gueron and G. Hamilton, "The Role of Education and Training in Welfare Reform," Brookings Institution Welfare Reform and Beyond Brief 20, April 2002.

[3]The research reported in this article is described in full in the working paper by D. Greenberg, K. Ashworth, A. Cebulla, and R. Walker, "When Welfare-To-Work Programs Work Well: Explaining Why Riv-

The Welfare We Want?
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erside and Portland Shine So Brightly," 2003 (available from the authors).

[4]Random assignment has its limitations and can be difficult to implement but is widely agreed to offer the best chance of bias-free measures of program impact. The merits and limitations of random assignment are discussed in: G. Burtless, "The Case for Randomized Field Trials in Economic and Policy Research," *Journal of Economic Perspectives* 9, no. 2 (1995): 63–84; J. Heckman and J. Smith, "Assessing the Case for Social Experiments," *Journal of Economic Perspectives* 9, no. 2 (1995): 85–110; and D. Friedlander, D. Greenberg, and P. Robins, "Evaluating Government Training Programs for the Economically Disadvantaged," *Journal of Economic Literature* 35 (1997): 1809–55.

[5]Congress mandated the large-scale evaluation of 11 welfare-to-work programs in 7 sites. The National Evaluation of the Welfare-to-Work Strategies (NEWWS) included a two-wave survey of all grantees, implementation studies through site visits, and studies of participant outcomes. Findings are posted on the Web site of the Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services, <http://aspe.os.dhhs.gov/hsp/NEWWS/>.

[6]Details of the full models can be found in the following working papers, available from the authors: K. Ashworth, A. Cebulla, D. Greenberg, and R. Walker, "Meta-Evaluation: Discovering What Works Best in Welfare Provision," presented at the 2002 Annual Conference of the United Kingdom Evaluation Society, 12 December 2002 at the South Bank Centre, London; Greenberg and colleagues, "When Welfare-To-Work Programs Work Well."

[7]For example, only the second set of regressions includes the average number of children in the AFDC family, the percentage of program participants with a high school diploma, and maximum AFDC payments received by a family of three at the program site.

Single-parent families and the food safety net

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In the private, emergency food assistance network, food pantries are the central point of contact with families. A recent comprehensive study estimated that there were over 32,000 food pantries nationwide, distributing around 2.9 billion pounds of food each year—the equivalent, roughly, of 2,200 million meals.[1] Nevertheless, the role of food pantries is poorly understood. We know virtually nothing about the factors that contribute to food pantry use among low-income families, nor about the circumstances in which food pantries complement or substitute for publicly provided food aid.

To fill some gaps in our understanding of these issues, the research reported here explores the use of food pantries among one of the most vulnerable U.S. populations, low-income single mothers. To provide context and perspective, I examine the use of the federal Food Stamp Program among the same set of families.[2] I draw upon data from two sources, the Current Population Survey—Food Security Supplement (CPS-FSS) and the Wisconsin Survey of Food Pantry Clients (see box, p. 30). I begin, though, with a broad look at the extent of food insecurity in Wisconsin and nationwide, highlighting the factors that appear to put households at the greatest risk.

The extent of food insecurity

Food security—the assured access to enough food for a healthy and active life—is widely acknowledged as an essential component of well-being. But national and regional studies suggest that a startlingly high number of American families are considered "food insecure"; these families experience persistent anxiety about their ability to afford food, eat inadequately, or skip meals because they lack the money to buy food.

How widespread is food insecurity? The most recent CPS-FSS data, from 2001, indicate that almost 11 percent of American families cannot always be sure whether or how they will obtain their next meal. To be sure, hunger, the most severe form of food insecurity, is relatively rare; only 3.3 percent of American families experienced food insecurity with hunger. Another 7.4 percent, however, were food insecure.[3]

Which households are food insecure?

Food insecurity and hunger are closely linked to poverty. The lower a household's income is relative to the poverty line, the more likely it is to be food insecure. In Wisconsin, an average of 31 percent of poor households were food insecure from 1996 to 2000, as compared to 15 percent of low-income households and only 5 percent of moderate- and higher-income households (above 1.85 times the poverty line).[4] Nonetheless, the majority of food insecure households are not poor. In Wisconsin, for instance, only 35 percent of food insecure households in 1996–2000 were poor, and 38 percent had income above 1.85 times the poverty line. This simply reflects the fact that the substantial majority of all households have incomes above poverty. Even the relatively low risk of food insecurity among nonpoor households translates into large numbers of households.

Although poverty is the strongest predictor of food insecurity, other factors are important as well—particularly family structure. Households with children, especially young children, were more likely to be food insecure than were childless households. The food insecurity rate for Wisconsin households with children, according to the CPS data for 1996–2000, was 12 percent, twice the rate among childless households. Nationwide during the same period, the pattern was similar, although the rates of food insecurity were somewhat lower. The consequences of food insecurity for children include a higher frequency of behavioral and health problems, lower test scores, and poorer school achievement.[5]

Single-mother households appear to be especially vulnerable. The CPS data show that, between 1996 and 2000, the food insecurity rate of single-mother households in Wisconsin was almost five times that of married couples with children (33 percent versus 7 percent). Although the high poverty rate of single-mother households is a contributing factor, it is not the only cause. Households headed by single mothers have a substantially higher risk of food insecurity than do married-couple households with income and other characteristics like theirs.

Besides poverty and family structure, food insecurity also varies by such factors as race, geography, and home ownership. Together, the factors I have described can have a devastating cumulative impact on food security. As an

"Pantries help fill the working poor's growing need for food security." Hartford Courant, December 2, 2002.

"Food shelves are serving more middle class families." St. Paul Pioneer Press, March 20, 2002.

example, take two families in Wisconsin. The first consists of white, married homeowners, living in a rural county, with children and an income above 1.85 times the poverty line; the family has at least one worker, and no elderly or disabled members. This family has only a 3 percent likelihood of being food insecure. In stark contrast, a family in many respects similar, but headed by a black, working single mother, with an income below the poverty line, renting in the inner city, has a 73 percent likelihood of being food insecure.

How the food safety net responds to family needs in volatile circumstances, and how vulnerable families access it—and which families—are clearly major policy concerns.

Food pantry and food stamp use by low-income single mothers

Public programs constitute by far the larger portion of the national food security network, and among these the Food Stamp Program is the largest. But coincident with the welfare reforms of the 1990s there came a steep drop in Food Stamp participation, from 28 million to 17 million between March 1994 and September 2000. The reasons are still in large part unexplained, and it is not clear how much food stamp use declined because need declined in economic boom times.[6] The evidence suggests, indeed, that the need for at least some forms of food assistance did not decline: estimates by providers indicate that demand for food pantry aid increased, on average, by 5 percent each year from 1997 to 2000.[7] Anecdotal reporting, too, suggests that demands upon the private components of the food security network, in particular food pantries, remain high. Trends in food stamp and pantry use appear, in other words, to have moved in opposite directions during the late 1990s, food stamp use falling, pantry use rising.

These trends are particularly relevant to use of food assistance among single parents. In 1998, 58 percent of households participating in the Food Stamp Program included children, and two-thirds of these households were headed by single parents. The general decline in food stamp use was most pronounced among low-income, single-mother households—those with incomes below 130 percent of the poverty line, the cutoff for food stamps.[8] From 1995 to 1999 enrollment among this group fell from 63.5 percent to 42.5 percent. Single parents were also quite prominent among pantry users. A survey by Second Harvest, the nation's largest food bank, found that 25 percent of pantry clients' households, and 50 percent of the households of clients with children, included single parents.[9] The decline in food stamp use among single parents, coupled with evidence of growing use of food pantries, and the prevalence of single parents among pantry clientele, raises important questions about the relationship between public and private forms of food assistance for these families.

Data from the CPS reveal that there are some notable differences between the single mothers who make use of food pantries and those on food stamps (Table 1). Just over half of the pantry users are white, whereas minorities are much more heavily represented among the food stamp recipients. Food stamp recipients are less likely to have been married and more likely to have a young child. Their

The sources of the data on food insecurity and food program participation

The research reported here makes use of two sources of information.

The Current Population Survey–Food Security Supplement (CPS-FSS), administered by the Census Bureau since 1995, is the only representative, national data set that provides information on food security and the use of public and private food aid. I used several different samples from the CPS-FSS: To examine food stamp and food pantry use, I used a national sample of over 5,500 mothers with incomes below 185 percent of poverty, from the 1998–2000 waves of the CPS-FSS. To examine food security in Wisconsin, data from the 1996–2000 supplements were pooled to create a sample of just over 3,000 Wisconsin households, large enough to describe food insecurity in the state with reasonable precision. To provide national comparisons for the Wisconsin food security analysis, I included all households from the 1996–2000 supplements. The CPS-FSS uses an 18-item scale to classify households into one of three categories—food secure, food insecure without hunger, and food insecure with hunger—on the basis of their experiences over the previous 12 months; all persons in a household are assigned the same food security status.

The Wisconsin Survey of Food Pantry Clients (WSFPC), a voluntary, self-administered questionnaire coordinated by the University of Wisconsin Extension, was implemented in 27 Wisconsin counties in October 1999. It included questions regarding demographic characteristics, employment and any barriers to employment, economic well-being, income sources, program participation, and pantry usage. For the analyses in this article, I used data from the 868 single mothers who completed the survey at participating food pantries.

educational levels are lower, but their employment and labor force status are fairly similar those of food pantry users, although the percentage below poverty is higher. The starkest difference between the two groups is in the level of food security. Almost half the food stamp recipients are food secure, but only 19 percent of the pantry users are. Moreover, food pantry users are twice as likely to have experienced hunger as are food stamp recipients. The difference in food security between these two groups is almost certainly larger than could be explained by food stamp participation alone; it is the more striking because Table 1 suggests that food pantries serve single mothers who are more advantaged by conventional measures, with higher incomes and educational attainment.

Table 1
Profiles of Single-Mother Food Pantry and Food Stamp Participants, 1998–2000

	Food Pantry Clients (% of total)	Food Stamp Recipients (% of total)
Race		
White	51	36
Black	30	42
Hispanic	15	19
Other	4	3
Marital Status		
Never married	41	54
Divorced	33	25
Separated/Spouse absent	21	19
Widowed	5	3
Age		
25 or younger	16	25
26–35	41	41
36–45	33	27
46+	10	7
Number of Children		
1	31	29
2	35	33
3 or more	34	38
Child under 6	50	58
Labor Force Status		
Employed	48	46
Unemployed & looking for work	15	13
Disabled – out of labor force	12	10
Out of labor force – other	24	30
Education		
Less than high school	30	37
High school/GED	34	39
More than high school	35	24
Food Security Status		
Food secure	19	46
Food insecure without hunger	42	36
Food insecure with hunger	39	18
Income-to-Poverty Ratio		
<50%	41	49
50%–100%	38	36
100%–130%	12	11
130%–185%	9	4

Source: Author's estimates from Current Population Survey, Food Security Supplements 1998–2000.

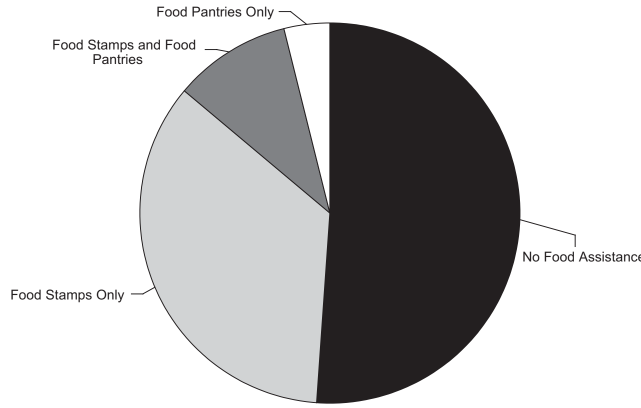

Figure 1. Food stamp and food pantry use among low-income single mothers.

Source: Current Population Survey, Food Security Supplements, 1998–2000.

Although the profiles of food pantry and food stamp clients are somewhat different, the evidence is mixed regarding the extent of overlap between the two programs. On the one hand, the CPS data show that a sizable majority of single mothers who report food pantry use in the past year also report receiving food stamps (see Figure 1). Overall, 49 percent of low-income single mothers received assistance from at least one of the two sources, including 35 percent who received only food stamps, 4 percent who received only food from pantries, and 10 percent who received food assistance from both sources.[10]

On the other hand, the single mothers in the Wisconsin Survey of Food Pantry Clients appeared relatively unconnected to food stamps and other public assistance programs. Only about a quarter reported that they were receiving food stamps in the month of the survey, suggesting that at least for some families emergency food aid operates as an alternative rather than a complement to public food assistance. It is possible, of course, that some parents who do not participate simultaneously in the two programs do receive assistance from both over the course of a year – the period of time examined in the CPS. And, because Wisconsin had experienced food stamp declines well above the national average in the period preceding the food pantry survey, the limited overlap between the two programs may be more severe than elsewhere. But the low participation in public programs was not limited to food stamps. Only 12 percent of the single mother pantry clients were currently participating in the state's welfare program, Wisconsin Works, although around three-quarters had at some point been welfare recipients and 40 percent had left the rolls relatively recently, after 1995.[11] The Wisconsin women were, in fact, twice as

"High demand strains food pantries. Weak economy increases need, slows donations." Chicago Tribune, December 3, 2002.

likely to be receiving Supplemental Security Income (SSI) as W-2.

Perhaps most interesting, however, are the current and recent employment patterns of these mothers. The Wisconsin pantry users fell into four primary categories: employed mothers, the recently nonemployed (out of work less than 3 months), the medium-term nonemployed (out of work 3–12 months), and the long-term nonemployed (out of work for over a year).[12]

Employed mothers constituted almost 50 percent of all single-mother pantry users—a strikingly high figure given the perception that the emergency food network is intended as a temporary safety net for people in crisis. Over two-thirds worked part time, most of them more than 20 hours a week, and the vast majority earned less than $8 an hour (this is an amount often used as a proxy for a "living wage" for a family of four). Almost 40 percent, indeed, earned less than $6 an hour. The large share of the Wisconsin single mother pantry clientele who are employed is less surprising, perhaps, when one considers that, among all food-insecure Wisconsin households during 1996–2000, 74 percent had at least one worker, 57 percent had at least one full-time worker, and 30 percent had two or more workers.

At the other end of the spectrum were the long-term nonemployed, including almost one-quarter of all single mothers using food pantries.[13] Most notable was the incidence of serious health problems among this group; almost two-thirds received SSI, 53 percent for an adult and 22 percent for a child. Given the stringent disability standards that control SSI eligibility, the long-term nonemployed were almost certainly dominated by those who had very limited prospects of returning to work. Notably, women in this group were the most frequent food pantry users; 62 percent were moderate to heavy food pantry users, having visited a food pantry at least 7 times in the past six months, whereas nearly 70 percent of the recently nonemployed were new or light users.

The extent of hardships and the barriers to work among the Wisconsin mothers are reported in Table 2. Health-related hardships—specifically, going without needed health care because there is no money—were more common among employed than among nonemployed pantry clientele, perhaps reflecting the difficulties of the working poor in finding access to either public or private health insurance. Among recently nonemployed mothers, low incomes (only 9 percent reported monthly income over $1,000) and frequent reports of hardships, especially in housing, suggest that these families were in a particularly unstable situation. Interestingly, most of the barriers to work that they faced reflected a perceived lack of opportunity and work supports, rather than personal or family issues. The long-term nonemployed, with their very high rates of disability, had substantially lower rates of hardship overall, and especially in the areas of housing and health care. This suggests that they may be in a more stable situation than those who are newly out of work.

Single mothers who use food pantries represent a broad cross-section of the low-income population. They include the working poor, who struggle to support themselves with limited education and skills, poor job opportunities, and difficulties in finding and paying for child care; the newly nonemployed, who often lack job opportunities and work supports, and are among the newest users of food pantries; and the long-term nonemployed, many with significant health problems, who tend to be ongoing regular users of a system developed for temporary crises. The evidence remains ambiguous regarding the extent to which food pantries serve as a complement or a substitute to food stamps as a source of support to vulnerable families. What seems clear, however, is that the role of the emergency food network as a component of the broader public-private safety net has evolved largely by default rather than by design. ■

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[1]Food kitchens, in contrast, provide about 173 million meals a year. J. Ohls, F. Saleem-Ismail, R. Cohen, B. Cox, and L. Tiehen, *The Emergency Food Assistance System—Findings from the Provider Survey*, Volume II: Final Report, U. S. Department of Agriculture, Economic Research Service, Food Assistance and Nutrition Research Report No. 16-2, October 2002. <http://www.ers.usda.gov/publications/fanrr16-2/>

[2]This article is based upon J. Bartfeld and C. David, *Food Insecurity in Wisconsin, 1996–2000*, report prepared for the Wisconsin Department of Health and Family Services, Madison, WI, February 2003; J. Bartfeld, "Single Mothers and Emergency Food Assistance in the Welfare Reform Era," IRP Discussion Paper 1253-02, University of Wisconsin–Madison, April 2002; and J. Bartfeld, "Emergency Food Assistance as a Component of the Public-Private Safety Net for Low-Income Single-Mother Households," paper prepared for the Association for Public Policy Analysis and Management meetings, November 2002.

[3]M. Nord, M. Andrews, and S. Carlson, *Household Food Security in the United States, 2001,* U.S. Department of Agriculture, Economic Research Service, Food Assistance and Nutrition Research Report No. 29, October 2002.

[4]The Wisconsin statistics in this section are drawn from CPS-FSS data for 1996–2000, as reported in Bartfeld and David, *Food Insecurity in Wisconsin*, unless otherwise indicated.

[5]Center on Hunger and Poverty, *The Consequences of Hunger and Food Insecurity for Children: Evidence from Recent Scientific Studies* (Waltham, MA: The Heller School for Social Policy and Management, Brandeis University, 2002).

[6]P. Wilde, P. Cook, C. Gundersen, M. Nord, and L. Tiehen, *The Decline in Food Stamp Program Participation in the 1990s*, U.S.

Table 2
Hardships and Employment Barriers among Single Mothers Using Food Pantries in Wisconsin, 1999
(percentage of each subgroup with characteristic)

Characteristics	Employed	Recently Nonemployed	Medium-Term Nonemployed	Long-Term Nonemployed
% of entire sample	47	15	15	23
Hardships				
Food	39	38	31	33
Utility	35	36	35	39
Housing*	27	43	31	20
Health*	38	28	31	17
Any*	73	79	73	62
Employment Barriers				
Finding and keeping jobs				
Problem of job availability*	20	32	17	7
Lack of skills, education, work experience*	27	13	15	16
Essential resources				
Problem finding or affording child care*	20	26	20	10
Lack of transportation*	12	20	10	11
Homeless/housing problems*	3	9	4	2
Health concerns				
Health/disability, long-term	7	8	28	56
Health/disability, short-term	7	11	14	7
Any health/disability concerns	14	20	43	67
Personal and family responsibilities and priorities[a]				
Prefer to be home with kids	8	9	9	13
Caring for disabled family member*	3	1	8	9
In school#	4	3	8	1

Source: J. Bartfeld, "Single Mothers and Emergency Food Assistance in the Welfare Reform Era," IRP Discussion Paper 1253-02, Madison, WI, April 2002.

Note: The recently nonemployed = out of work less than 3 months, the medium-term nonemployed = out of work 3–12 months, and the long-term nonemployed = out of work for over a year.

[a]Around 3–5 percent of all groups specified "other family circumstances" including alcohol or drug problems, criminal record, partner problems, lack of English, or lack of Green Card.

Difference between employment groups: *, significant at the 1% level; #, at the 5% level.

Department of Agriculture, Economic Research Service, Food Assistance and Nutrition Research Report No. 7, July 2001. See also M. Nord, "Food Stamp Participation and Food Security," *Welfare Reform and Food Assistance* 24, no.1 (2001): 13–19.

[7]Ohls and colleagues, *The Emergency Food Assistance System*.

[8]Nord, "Food Stamp Participation."

[9]Pantry user statistics from Second Harvest report, *Hunger in America 2001* <http://www.hungerinamerica.org/>, Table 5.2.1. Food stamp statistics from Nord and colleagues, *The Decline in Food Stamp Program Participation*.

[10]Both food pantry and food stamp use appear to be underreported in the CPS-FSS when compared to client-based measures of participation. In the case of food pantry participation in particular, one contributing factor may be that the CPS sample does not include homeless persons.

[11]The survey was conducted when W-2 participation was extremely low; there were fewer than 600 open W-2 cases in the 27 counties in the survey sample. Bartfeld, "Single Mothers and Emergency Food Assistance," p. 16.

[12]I use the term "nonemployed" rather than "unemployed," to cover both women not working but actively looking for work and women who are out of the labor force entirely.

[13]The medium-term nonemployed, as one might expect, fall within the boundaries set by the recently nonemployed and the long-term nonemployed, and I do not discuss them here.

Service and systems integration: Renewing the quest for the "Holy Grail" of public policy

Open a comprehensive report in any area of social services, and you are likely to find some reference to a common problem:

Each of the 8 mainstream [federal] programs was created to respond to a unique need or population and its implementation is most often driven by its authorization. The consequence of this evolution is an assortment of assistance programs covering health and social services, and administered by a variety of State and local entities. The administering entities are not required to assemble these programs into a coherent pattern that might result in an improved response to the overlapping, multiple needs of the targeted populations.

From Ending Chronic Homelessness: Strategies for Action, *Report of the Secretary's Work Group on Ending Chronic Homelessness, U.S. Department of Health and Human Services, March 2003*

Loosely defined, the [federal mental health services] system collectively refers to the full array of programs for anyone with mental illness. The programs deliver or pay for treatments, services, or any other types of supports, such as disability, housing, or employment. These programs are found at every level of government and in the private sector. They have varying missions, settings, and financing. . . . The setting could be a hospital, a community clinic, a private office, or in a school or business. The financing of care, which amounts to at least $80 billion annually, could come from at least one of a myriad of sources—Medicaid, Medicare, a state agency, a local agency, a foundation, or private insurance. Each funding source has its own complex, sometimes contradictory, set of rules.

From the Interim Report [October 29, 2002] *of the President's New Freedom Commission on Mental Health, January 2003*

The Workforce Investment Act of 1998 and the adoption of TANF made progress in unifying delivery of the nation's economic support programs and employment and training programs. Still, as the job center system has sought to consolidate the delivery of services at the local level, managers list as one of their impediments the federally separated funding stream. The managers refer to these as funding "silos." . . . The fragmented nature of funding sources and overlapping governance structures remain as a perceived impediment to full integration of service delivery systems.

From Refocusing the Vision: An Assessment of Wisconsin's Job Center Network after a Decade of Development, *by John R. Collins, Administrative Policy Advisor in the Wisconsin Department of Workforce Development, June 12, 2002*

Utah has been able to leverage resources and take advantage of the flexibility provided under the Temporary Assistance for Needy Families block grant to keep a physical presence in all areas of the state and to provide customers seamless access to all of the employment and supportive services we provide. However, this causes some administrative problems when a state such as Utah, tries to integrate the multiple funding streams available under TANF, WIA, Wagner-Peyser, Unemployment Insurance/Employment Service, Food Stamps, Child Care, etc. . . . Utah often faces conflicting performance outcomes, definitions and eligibility criteria, data collection requirements and reporting systems between programs. . . . The complexity of program rules and requirements has been a significant burden on our front line workers as they attempt to provide integrated services in a consistent and accurate manner.

Testimony of Greg Gardner, Interim Executive Director of the Utah Department of Workforce Services, before the House Education and Workforce Subcommittee on 21st Century Competitiveness, March 12, 2002

Laments like those above are not new. At the end of the 19th century, the private charities largely responsible for assisting poor families were quite generally seen as hopelessly disorganized and quite vulnerable to fraud and exploitation. The solution, many critics thought, would be public ownership of services for the poor, which would lead to more rational, coherent systems of help. Over a century later, we struggle with similar challenges. But the willingness to once again confront this most venerable of public policy challenges, including the important step of devolving much federal authority over social assistance policy to the states, has given new life to research, analysis, and discussion. The five articles that follow examine some fundamental issues and suggest avenues for future research and actions. We begin with three articles examining program interactions and spillover effects between Temporary Assistance for Needy Families, the largest public cash assistance program, and other programs of prime importance—child welfare, disability policy, Medicaid, and Food Stamps. The first of these articles examines interactions between the welfare and the child welfare systems, drawing upon the research of Irving Piliavin and Mark Courtney and their colleagues in Milwaukee, and of Kristen Shook Slack and colleagues in Illinois. In the second article, Mary C. Daly and Richard V. Burkhauser explore the effects of Supplemental Security Income on employment among disabled people of working age and the families of disabled children, its changing role in the social safety net, and its interaction with welfare policy. The third article, by James Fossett, Thomas Gais, and Frank Thompson, examines the ways in which states are responding—or failing to respond—to the challenges posed by the wholesale restructuring of public assistance programs in federal legislation; the authors are participants in the State Capacity Study being conducted under the aegis of the Nelson A. Rockefeller Institute of Government. Finally, two articles examine some of the implications and the consequences of the devolution of federal authority. Thomas Corbett and Jennifer Noyes reflect upon political and institutional issues raised in the debates over the respective roles and capacities of state, federal, and local agencies, and Mark Ragan, again drawing upon the extensive Rockefeller Institute surveys, reviews ongoing efforts to develop comprehensive state human service systems.

TANF families and the child protective system: Evidence from Illinois and Wisconsin

One of the "sleeper" issues surrounding welfare reform is the extent to which changes in public assistance programs may affect the demand for child welfare services, including child protective services, foster care, kinship foster care, and adoption.[1]

The mandatory work requirements for mothers of young children at the core of current welfare reform policies have evoked intense debate among child and family advocates. Some argue that moving these mothers into work will benefit children because it will increase family income, offer a model of disciplined work behavior, and better structure family routines. Others counter that the reforms will reduce the time mothers and children spend together, increase parental stress and decrease responsive parenting, and move children into poor-quality care or leave them unsupervised while their parents work.[2]

The reforms have also stimulated considerable research into the potential effects on families applying for public assistance—families by definition likely to be in financial and emotional disarray. Children's well-being has been a principal focus of this research, but there is, so far, little consensus. One study, for example, finds that "mothers' welfare and employment transitions during this unprecedented era of welfare reform are not associated with negative outcomes for preschoolers or young adolescents." Another finds that "the recent welfare reforms in the United States may have increased child maltreatment."[3]

The effect of the reforms on child welfare services, as Mark Courtney and his colleagues note, has been somewhat of a "sleeper issue" of welfare reform. The rapid reduction in cash public assistance caseloads that followed the reforms was not followed by a comparable reduction in child welfare services caseloads. The rate of substantiated abuse, though lower than its peak of 15.3 per 1,000 children in 1993, has hovered at just over 12 per 1,000 for the last few years, and in September 1999 the U.S. foster care caseload reached an all-time high of 581,000. If reductions in welfare caseloads indicate that the circumstances of low-income families have improved, then it is reasonable to ask why the need for child welfare services intervention, particularly out-of-home care, has not decreased.[4]

It is hardly surprising that strongly committed advocates might disagree about the effects of the reforms; more surprising, perhaps, are the difficulties that research has encountered in reaching any kind of consensus. This article explores some of the reasons, and examines evidence from two extensive and ongoing studies of Illinois and Wisconsin families eligible for or participating in Temporary Assistance for Needy Families (TANF), the main cash assistance program.[5]

This article draws upon research emerging from the Illinois Families Study and the Milwaukee TANF Applicants Study. Among recent reports from these studies are:

Kristen Shook Slack, Jane Holl, Bong Joo Lee, Marla McDaniel, Lisa Altenbernd, and Amy Bush Stevens, "Child Protective Intervention in the Context of Welfare Reform: The Effects of Work and Welfare on Maltreatment Reports," November 2002, forthcoming in the *Journal of Policy Analysis and Management*.

Mark E. Courtney, Amy Dworsky, Andrew Zinn, and Irving Piliavin, "Involvement of TANF Families with Child Welfare Services," paper presented at the Association for Public Policy Analysis and Management Research Meeting, Washington, DC, November 2001.

Irving Piliavin, Amy Dworsky, and Mark E. Courtney, "What Happens to Families under W-2 in Milwaukee County, Wisconsin? Report from Wave Two of the Milwaukee TANF Applicant Study," November 2002.

Kristen Shook Slack is Assistant Professor of Social Work at the University of Wisconsin–Madison and an IRP affiliate. Jane L. Holl is at Northwestern University, Institute for Health Services Research and Policy Studies and Children's Memorial Hospital; Bong Joo Lee is Associate Professor of Social Welfare at Seoul National University, Korea, and Faculty Associate of Chapin Hall Center for Children at the University of Chicago; Marla McDaniel, Lisa Altenbernd, and Amy Bush Stevens are at Northwestern University, Institute for Policy Research.

Mark Courtney is Director of the Chapin Hall Center for Children and Associate Professor in the School of Social Service Administration, University of Chicago, and an IRP affiliate. Irving Piliavin is Professor Emeritus of Social Work and Sociology, University of Wisconsin–Madison, and an IRP affiliate. Amy Dworsky and Andrew Zinn are at Chapin Hall.

Poverty and child maltreatment

"Missouri's child welfare system confusing poverty with neglect," said a disapproving headline in the *St. Louis Post-Dispatch* (March 18, 2003). But if researchers agree on one thing, it is that poverty and neglect are closely linked. How, precisely, is less easy to determine. There are, first, problems of data and definition.[6]

Since 1988, the National Center on Child Abuse and Neglect has been charged with collecting and publishing data on the incidence of maltreatment. These data, however, must be used cautiously. First, they are supplied by state child protection agencies, and each state has its own laws regarding maltreatment, its own definitions of physical or sexual abuse and of neglect, and different investigative practices. Neglect is the most difficult to define because it is the most subjective. Most definitions include the failure by an adult responsible for the child to provide necessary food, clothing, and shelter; the failure to supply necessary medical care; and the failure to send a child to school. States draw the line between acceptable and unacceptable care rather differently, however. Some, for example, explicitly state that leaving children unattended or in inadequate care is a form of neglect; others do not. But what if parents cannot, for instance, meet the generally accepted community standards of what a child needs? In law, at least, neglect is not simply a mechanical result of poverty, but is often conditioned on the resources of parents or guardians: neglect occurs if the parents have the resources to care for a child but do not do so. Thus there is room for a great deal of variation in decision-making from agency to agency and state to state.

Measuring the well-being of children is not just a matter of seeing how resources are allocated—surveys, in any event, rarely provide information about how private goods are distributed within households. The quality of care that children receive is likely to be as important to their well-being as the quantity of goods and services they consume. Parental unemployment, for example, directly affects family income and thus children's resources, but also indirectly affects children's well-being: the high levels of stress and depression that are likely to accompany unemployment are consistently associated with higher rates of child maltreatment. It is thus very difficult for researchers to disentangle the direct from the indirect effects of changes in economic conditions.

The involvement of families in the public welfare system further complicates efforts to disentangle these already complex relationships. The connection between the public assistance and child welfare systems is apparent in research using state and local administrative data for the years before the implementation of TANF.[7] These studies must be used with caution, because the data on which they are based contain a rather narrow range of information and do not incorporate the rapid changes in both the public assistance and child welfare systems that took place after 1996. But the studies are in agreement that the total time a family spends on welfare and the number of times the family enters and leaves welfare are related to the likelihood of involvement with the child protective system (CPS); and that the effects of welfare reform on CPS involvement may be moderated by other sources of income, especially employment, and mediated by factors associated with economic hardship. For example, one study has found that employment income significantly moderated the likelihood of child welfare services involvement among Chicago-area welfare recipients. In this study, the odds of such involvement were greatest when welfare recipients were confronted with grant reductions and no employment at the same time; this remained true even after researchers accounted for other risk factors, including family poverty, stressful life events, and environmental hardships.[8]

There may also be a connection between the new welfare regimes, with their time limits and sanctions, and the rise in foster care numbers noted earlier in this article. A solid body of research has found that the generosity of welfare payments affects family structure and composition. To the extent that the welfare reforms reduce public assistance to families, they may contribute to family dissolution, for a couple of reasons. Parents may place children with other family members or even outside the family to limit the demands that children make on family resources. Or lower benefits may simply generate greater economic hardship, leading to an increase in foster care placements.[9]

Thus there is strong reason to believe that the welfare changes introduced in the mid-1990s may also affect the responsibilities of the child protective agencies, and somewhat inconclusive evidence to suggest the nature of the interactions between the two systems. Much more detailed information about families involved in both systems is now beginning to accumulate from longitudinal studies. This article discusses data from two projects in particular: the Illinois Families Study, which began in 1998, and a three-panel survey of Milwaukee families who were in contact with the Wisconsin Works (W-2) welfare program that began in 1999. Both studies follow a stratified random sample of welfare applicants (Milwaukee) or recipients (Illinois). Their aim is to gather information on a wide range of outcomes and indicators of family well-being during a time when welfare systems were undergoing radical change.

There are interesting similarities and differences between the two states. In each state, the welfare population was drawn overwhelmingly from one large urban area. Over the period being studied, the two states were each engaged in reform of the welfare and child welfare systems. The Wisconsin welfare reform developed more rigorous work requirements for families seeking cash assistance, and somewhat more generous work supports. Illinois investigates a far smaller percentage of child maltreatment reports than Wisconsin.[10]

Welfare and child protective services in Illinois

As in many other states, welfare caseloads began to decline in Illinois before the federal welfare reform legislation took effect, falling from about 200,000 in the early 1990s to around 50,000 in 2000.[11] In Cook County (Chicago and suburbs), where over 40 percent of the state population and nearly two-thirds of its welfare population live, the decline began later, and was not so steep. In 1994 Illinois began its "Work Pays" program, a welfare-to-work program incorporating both work incentives and sanctions. The state made significant investments in child care subsidies, offered generous income disregards, and included a provision that stopped the welfare time-limit clock for TANF recipients working at least 30–35 hours a week. Yet benefit levels were low, the state implemented a "family cap," whereby benefits did not rise if additional children were born to TANF recipients, and full-grant sanctions were applied to recipients who did not comply with work requirements.

The pattern of CPS reporting in Illinois is complicated. Illinois has, to begin with, a very conservative threshold for investigating reports of maltreatment. Over three-quarters of all reports received are not referred for investigation, compared to a median of 36 percent (among 30 states).[12] Reforms in the Illinois child protective system may also have influenced reporting. Until 1996, the mere absence of a legal parent or guardian, rather than the safety of the current caregiving arrangement, might be considered justification for a report. In 1996, the state changed the statutory definition of neglect from a "parent-based" definition to the "home-based" definition that is used by most other states. The change significantly reduced the number of children coming to the attention of CPS from informal kinship care arrangements.

Among all Illinois families, the number of CPS reports rose from 1991 to 1995, then gradually declined, trailing the decline in the welfare caseload by about a year. Among welfare recipients, the rate of CPS reports declined very modestly, hovering around 6 percent statewide, before welfare reforms were implemented in January 1997. The rate then began to rise downstate; in Cook County, where the incidence of reports was lower than in the rest of the state, it did not begin to rise until 1998. Two explanations for the statewide rise are possible: first, that those remaining on welfare represented a more difficult or problem-plagued group of families; second, that those who continued to receive benefits became increasingly visible as caseloads shrank, whereas those who stopped receiving welfare benefits (including, for some families, Medicaid coverage) faced less scrutiny from mandated reporters.

The Illinois Families Study

The Illinois Families Study is a longitudinal study designed to assess work, TANF, and the well-being of families affected by welfare reform.[13] One portion of the study consists of interviews with a random, stratified sample of TANF recipients from the 1998 Illinois caseload. Half of the sample members live in Cook County; the remainder live in eight downstate counties representing midsized and small urban areas and rural areas. Information gathered through this survey (the first wave of interviews took place in 1999/2000) is matched with state administrative data.

As part of this project, IRP affiliate Kristen Shook Slack and colleagues have examined whether trends in child protection reports among welfare recipients changed over this period, and what factors might be associated with any changes. At the time of the first interview, the mothers in the survey were, on average, 31–32 years old; over 40 percent had no high school diploma, and 84 percent were neither married nor living with a partner. About 80 percent were black, 11 percent Hispanic. Over 20 percent rated their health as "poor." In the total sample, 55 percent had at least one child under age 5, and 41 percent had three or more children under 18; 61 percent had given birth as teenagers.

CPS involvement among mothers in the study

Among the 1,261 mothers for whom researchers had both administrative and survey data, 19 percent had some involvement with the CPS between the early 1980s and the month in which they were chosen for the sample. After their first interview, 7 percent of respondents were the subjects of a new CPS report within the next 6 to 18 months.[14]

Slack and her colleagues found some significant differences between families investigated by CPS prior to the sampling month for the study and those without a history of CPS involvement. Mothers involved with the CPS were about 18 months older; fewer of them had graduated from high school (53 percent without diplomas versus 37 percent of uninvolved mothers), and they were far more likely to have three or more children (52 percent versus 36 percent). They were more at risk of mental health problems (13 percent versus 8 percent), and more likely to have a learning disability.[15] These mothers were also more likely to have a child with a health condition (33 percent versus 21 percent of uninvolved mothers). The rate of frequent drug and alcohol use in this population was low, but here too mothers with CPS involvement had a higher incidence (7 percent versus 4 percent of uninvolved mothers). Families experiencing housing difficulties were also more likely to be reported to the CPS, raising the question whether particular events, such as changing housing arrangements, are likely to trigger CPS involvement because they make the family more visible.[16]

On average, mothers with CPS involvement had received welfare for longer, were more likely to be on welfare at the time they were interviewed, and were less likely to be working. They had also earned less in the year before welfare legislation was passed. Table 1 suggests a num-

Table 1
Work, Welfare, and Involvement with Child Protective Services, Illinois

Mother's Work and Welfare History	Total Sample (N=1,261)	Ever Involved with CPS (N=382)	Never Involved with CPS (N=879)
TANF History			
Total months on TANF	78	**84**	**75**
Currently receiving	52%	**62%**	**49%**
Currently Working	52%	**40%**	**57%**
Total Wages, 1995	$1,740	**$1,219**	**$1,966**
Combinations of Work and Welfare			
Working, receiving TANF	23%	**18%**	**25%**
Working, without TANF	29%	**22%**	**32%**
Not working, receiving TANF	29%	**43%**	**23%**
Not working, without TANF	19%	16%	20%
CPS report after first interview[a]	7%	**18%**	**5%**

Note: These analyses are conducted using administrative data for the 93 percent of survey respondents who consented to administrative data access. Bolded statistics indicate statistically significant differences between groups (p<.05).
[a]Difference of means tests refer to differences between respondents with or without CPS involvement before the sampling month.

ber of conclusions about the relationship between TANF and CPS involvement. Of all groups, those mothers in the sample who continued to receive welfare while not working were most at risk of CPS reports, more so even than mothers who left TANF without employment. The risk of CPS reports for working mothers or for mothers combining welfare with work was significantly lower. Thus it seems that the rise in CPS report rates among welfare recipients may be largely driven by the unemployed. As noted earlier, a higher level of scrutiny is one possibility. But it may well be that those who continue receiving welfare have fewer other resources (for example, disability benefits or contributions from a partner or spouse) or have a greater level of material, social, or emotional need that makes them vulnerable. Whatever the reasons for the high rates of involvement with CPS, these families are an important group to monitor.

The favorable effects of welfare and work became stronger as researchers followed the sample over time, especially for those who combined the two. Indeed, work without welfare did not reduce the risk of CPS involvement in the short run, though it emerged as a protective factor in the long run. These findings raise the question whether a more gradual departure from welfare for work, with more flexible options for combining income from both sources, may offer better protection against the risk of child maltreatment.[17]

The Illinois Families Study is limited to a select group of caregivers—those who received TANF after the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. But the caseloads of the welfare and child protection agencies are strongly affected by entries as well as exits. Welfare reforms, for example, are largely geared to moving recipients off public assistance, but may simultaneously discourage some individuals from applying for assistance. The implications of this study may, therefore, not hold true for other groups of potentially affected individuals, such as those who are eligible but do not apply, those who are denied assistance, or those who simply quit the program.

In another project under way in Milwaukee, Wisconsin, we have information about this wider spectrum of families. Unlike many other studies, the Milwaukee study examines the experiences of applicants for TANF assistance. This makes it possible to compare families that did not participate with families that actually participated in the program or that moved to TANF from AFDC.

Milwaukee applicants to W-2 and the child protective system

In Milwaukee, as in Illinois, reforms in both the public assistance and the child welfare programs began in the mid-1990s. In many ways, Milwaukee has been a laboratory for Wisconsin's efforts to reform both systems. These efforts have relied on significant privatization of services that were, for the most part, previously provided by the county. But whereas W-2 was from the beginning a high-profile state initiative, the state's takeover of the Milwaukee child welfare system was undertaken with some reluctance.

In the late 1980s, Wisconsin began implementing welfare demonstrations, authorized under waivers from the U.S. Department of Health and Human Services, that involved various modifications of the traditional Aid to Families with Dependent Children (AFDC) program. Between 1987 and 1997, the state's public assistance caseload fell over 55 percent. This trend accelerated when W-2, the state's version of TANF, began operating in September 1997. In February 2001, the welfare caseload was 6,700 families, a reduction of over 80 percent since W-2 began (by July 2002, it had once again risen, to 9,700 families).

W-2 is a "work-first" program that mandates some form of employment for mothers seeking assistance unless they have babies 12 weeks or younger, and provides supportive services to help participants find and maintain employment. Only participants judged least ready for employment receive a cash subsidy, and they must also fulfill assigned activities or face sanctions. Families may be eligible for other benefits, such as food stamps, public health insurance, child care subsidies, or case management services, whether or not they are receiving cash assistance. As Wisconsin experimented with changes in its welfare program, Milwaukee County began to account for a disproportionate share of the cash assistance caseload. By July 2002, nearly 80 percent of families receiving cash assistance lived in Milwaukee, which is the most populous county in Wisconsin, home to 17.5 percent of the state's residents.[18]

Like many child welfare agencies nationwide, Milwaukee was also engaged in reform of child welfare services owing to litigation brought against the county and the state by child welfare advocates. In 1997, the state took over administration of the county's child welfare services, creating the Bureau of Milwaukee Child Welfare under the supervision of the (then) Wisconsin Department of Health and Social Services. The goal was to streamline services, contracting some to private agencies, and provide additional revenue to improve the performance of the system.

As in other urban jurisdictions, child welfare caseloads rose consistently and often rapidly during the 1990s in Milwaukee. The out-of-home-care caseload in particular grew by 86 percent from 1990 to 1999 (from 3,065 to 5,712 cases). In recent years, moreover, the substantiation rate for all investigated reports has been about 38 percent in Milwaukee County, around 6 percent higher than the state average.[19]

The Milwaukee TANF Applicants Study

Families for this study were selected from among those applicants to W-2 who were considered potentially eligible for the program by intake workers at Milwaukee County agencies between March and August 1999.[20] The final sample consisted of 1,082 family heads; the vast majority were interviewed at the agency on the day they applied. In the second phase of the study (July 2000 to May 2001), 80 percent of the original survey participants were again interviewed, generally in person in their homes. As in the Illinois Families Study, the information from the survey is matched with state administrative data.

The sample of applicants is predominantly female (96 percent), African American (75 percent), and never married (80 percent). In 1999, their median age was 27. More than half did not have a high school diploma or GED. Only 12 percent were actually employed at the time of the first interview, although another 75 percent had been employed at some time in the previous two years. The median number of children living with each applicant was two. Nearly two-thirds of the applicants reported previous AFDC receipt, and 43 percent had already participated at least once in W-2.

Between the first and the second waves of the survey, 67 percent of those in the sample participated in the W-2 program. In most areas that researchers examined, there were surprisingly few differences between those who participated and those who did not. As a consequence, the results discussed here are for the sample as a whole.

Although 77 percent of respondents were employed in at least one of the four quarters following the quarter of the first interview, their reported earnings for the year were very low—a median of $4,131. Adding government benefits in cash and in kind, tax credits, a spouse's or partner's earnings, and child support raised median income to $9,430, still a very low figure. Nor were these families receiving substantial help from family and friends; the median amount over the previous 12 months was $300. Indeed, at the wave 2 interviews, 20 percent of the respondents were living doubled up with other families, presumably to reduce housing and other costs. More positively, between the wave 1 and wave 2 interviews, there were statistically significant increases in the percentage of families receiving social security benefits or living in Section 8 housing, in the percentage with at least one member covered by a public health insurance program (Medicaid, Healthy Start, or BadgerCare), and in the percentage receiving child care assistance.

Notwithstanding these supports, both participants and nonparticipants reported a number of hardships over the 12 months before the interview—more, indeed, at the second interview than at the first interview. Prominent among these hardships were not having enough money to buy clothes, having their utilities shut off or the phone disconnected, or being evicted or losing their home.

Sample members also reported a number of problems that might make work difficult. At the wave 2 interview, over 22 percent said that employment was limited by a disability—their own or a family member's. Eight percent had been involved in an "unsafe" (usually, physically abusive) relationship between wave 1 and wave 2. A quarter described their health as "poor" or "fair" and more than a quarter had experienced a mental health problem such as depression or anxiety.[21] Nearly 18 percent of respondents reported at least three of these problems. The number who had experienced traumatic events in their lives—for example, physical assault or rape— was also high, around 20 percent. Almost as many said they had contemplated suicide, and 14 percent reported that they had been physically abused or seriously neglected as children.

At the time of the second interview, 43 percent of the children in the sample were under 5 years old, and about 36 percent were between the ages of 6 and 12. Mothers' answers to a series of questions about one of their children who was randomly selected at the first interview (the "focal child") reveal that children's living arrangements are frequently subject to change and that a high proportion of children have health and school problems. Once again, there were almost no statistically significant differences between families participating in W-2 and those not participating.

Living arrangements. At the second interview, there were 255 "new" resident children among these families. Over half were babies born since the mother's first interview. Among the remainder, 25 were the children of partners, 11 were children returned to the parent's custody, and 9 had been living with friends or relatives who could no longer care for them. Wave 2 respondents also reported 184 children who were not then living with them: 51 lived with the other parent, 35 lived with grandparents, and 12 were in foster care. Six were living on their own.

Physical and emotional health of the children. Almost a third of mothers were caring for children with chronic health problems. By far the most common was asthma, which afflicted 9 percent of all focal children. Nearly 16 percent of mothers were caring for one or more child with a learning disability, speech impairment, or attention deficit disorder. Emotional and behavioral problems were also moderately common: 16.3 percent of children over age 4 had such a problem. Among children over age 10, 10.3 percent had engaged in delinquent activity, and 9.3 percent had been arrested for a crime. But only very small numbers (3 children at each interview) were reported by their caregiver to be in the custody of the juvenile justice system.

School performance. Among focal children old enough to attend school, a substantial minority were experiencing difficulties. Most common was suspension (22.5 percent); a further 3.5 percent had been expelled. Nearly 17 percent had "problems" with school work, 11.6 percent had been placed in a special education class, 15.3 percent had failed a grade, and 4.8 percent of those 12 or over had dropped out. There were some changes for the better: at the second interview, the percentages of children having difficulty with schoolwork, placed in a special education class, or suspended from school were significantly smaller.

Milwaukee families involved with the child welfare system

The number of families in the Milwaukee study who were the subject of CPS investigation is high: 47 percent had experienced at least one investigation between June 1989 and September 2001.[22] Over two-thirds of those parents had been investigated, on average, more than three times, and nearly one-third had had at least one child removed from the home since June 1989.

The proportion of cases investigated in the period after the first interview was around 23 percent. Twelve percent of mothers had at least one child in a court-ordered placement between their first interview and September 2001. Although there are no strictly comparable data, the rate of follow-up CPS investigation for this sample of Milwaukee families appears significantly higher than might be expected from other studies. For example, the one-year follow-up investigation rate of 13.9 percent is much higher than the 18-month follow-up investigation rate of 6.7 percent found among AFDC entrants in California.[23] In Illinois, which, as noted, has a conservative threshold for investigation, complaints of maltreatment were substantiated for only 2.9 percent of new TANF/AFDC entrants, and the out-of-home placement rate was one-half to one-third the Milwaukee estimate.[24]

What characteristics increased the risk of CPS involvement in this sample of W-2 applicants? As in Illinois (see Table 1), families with a previous history of involvement had a much larger risk of being involved again. The risk increased if the parent had more resident children or at least one nonresident child. CPS involvement appeared unrelated to race and marital status, but it increased if the parent was an alcohol or drug abuser, or reported a higher level of parenting stress. If the family was homeless at the wave 1 or wave 2 interview, the risk of a subsequent investigation nearly doubled. And with each additional economic hardship the parent had experienced during the previous year, the risk of CPS involvement increased. But recent paid work experience decreased the risk of involvement with the CPS. Mothers who had never worked or had not worked in the year preceding the interview had a 45 percent greater risk of being investigated.

The high frequency of investigation led researchers to examine whether there had been an increase in CPS involvement under W-2, by comparing the involvement of the W-2 applicants with CPS reports concerning Milwaukee County mothers who entered AFDC in 1996 (Table 2). Although the rates among the W-2 applicants were higher, the AFDC families were also involved with CPS at much higher rates than families in the Illinois study or in other studies.[25] The comparison of the AFDC and the TANF samples in Milwaukee also suggested that there has been a large increase in the likelihood of CPS involvement among applicants for cash assistance in Milwaukee County. For example, the two-year follow-up investigation rate of 21.3 percent among our 1999 TANF applicant sample was nearly 40 percent higher than the rate of 15.6 percent among the 1996 AFDC entry cohort (Table 2).

What explains this relatively high level of child welfare services involvement among these TANF applicants in Milwaukee? And why does it appear that the rate of involvement is increasing over time?

At first glance, several explanations are plausible. First, perhaps welfare reform has made life more difficult for very low income families in Wisconsin, the same families that historically comprise the bulk of child welfare services populations. But the empirical data do not support this explanation; there is no jump in Milwaukee County child maltreatment reports associated with welfare reform. In the two years before W-2 was implemented, annual child maltreatment investigations grew by about 13 percent, from 10,299 in 1995 to 11,628 in 1997. Over the first two years after TANF was introduced, investigations grew by only another 5 percent, to 12,229 in 1999.

Although one might ask why reports and investigations continued to increase during a time of almost unprecedented economic prosperity and low unemployment in Milwaukee, one would be hard put to use child maltreatment reporting statistics to argue that W-2 made things much worse. Nor do these statistics support the view that the newly imposed state control of the Milwaukee child welfare system had widened the net for protecting children and made it more likely that children will be reported for maltreatment, investigated, and placed in out-of-home care.

Another view is that the poor in general are more likely to become involved with CPS because their interactions with welfare workers place them under greater scrutiny. This scrutiny, it is argued, has increased under TANF. In reality, since the separation of social services from economic assistance in the early 1970s, neither AFDC nor TANF workers had much reason to interact with the children of public assistance recipients or with parent recipients in the presence of their children. Teachers, counselors, family members, neighbors, and others who interact directly with children have always accounted for the bulk of child maltreatment reports, and no empirical evidence suggests that this has noticeably changed under TANF.

A third explanation looks toward the almost unparalleled reductions in public assistance caseloads in Wisconsin, both before and after the implementation of W-2. These reductions may have resulted in an applicant pool that is, on average, much more troubled than in years past. The message that, if one is at all able to work, one should do so with as little assistance as possible from government predated TANF by several years in Wisconsin. Perhaps the message was so clear that the only parents who remained in the applicant pool were those who generally could not function in the labor force on their own; many of them also had difficulty safely parenting their children. Clearly, the result might be an increase in CPS involvement among applicants even if economic conditions for poor families in Milwaukee remained relatively stable. These families have arguably always been a part of the public assistance caseload, perhaps becoming a larger proportion as the caseload has shrunk.

For two primary reasons, this last explanation appears to hold water. First, the caseload reduction in Milwaukee has been so great that it is difficult to believe that it has had no effect on the composition of that caseload. Second, the 1996 AFDC mothers differ in significant ways from the 1999 TANF applicant sample: the TANF applicants are less likely to be white, less likely to be married, less likely to have a high school diploma, and more likely to have three or more children.

Whatever its causes, the overlap between child welfare services and public assistance populations has implications for both TANF and child welfare agencies. How does the involvement of TANF applicants with the child welfare system affect their ability to meet TANF's work-related requirements? Conversely, does TANF service delivery help or hinder parents in their efforts to comply with the dictates of child welfare agencies? For example, parents involved with child welfare agencies may be required to attend court meetings and participate in a variety of court-ordered services in order to retain or regain custody of their children. To what extent do these demands conflict with participation in work training or education programs?[26] The Milwaukee study suggests that the overlap between these populations is large enough that the functioning of either service system could conceivably have a significant effect on the success of the other in achieving its mission.

But the conjunction of the two services also presents opportunities. TANF has represented a return to a concept of the welfare office as a social service enterprise.

Table 2
Involvement with the Child Welfare System in Milwaukee County:
1999 Sample of Applicants to W-2 Compared with a 1996 Sample of Entrants to AFDC

CPS Investigation and Time	W-2 Sample (N = 1,082)		AFDC Entrants (N = 2,955)	
	N	%	N	%
Any since 1989	511	47.2	1,056	35.7
Before wave 1 interview in 1999	429	39.6	NA	
Before start of AFDC spell in 1996	NA		661	22.4
Following wave 1 interview	251	23.2	NA	
Following start of AFDC spell in 1996	NA		724	24.5
Within one year of wave 1 interview or start of AFDC spell	149	13.8	302	10.2
Within two years of wave 1 interview or start of AFDC spell	231	21.3	461	15.6

TANF agencies have been arranging for child care, addressing transportation needs, and increasingly providing parents with help in meeting substance abuse and mental health problems. The aim of these services is to support parents' ability to maintain employment. But many, if not most, of the challenges that limit some parents' ability to work are the same challenges that limit their capacity as parents.

The clear link between economic hardship and CPS involvement—both the increased risk that accompanies greater hardship and the diminished risk that accompanies greater participation in the workforce—suggests that there is little sense in maintaining two distinct systems to meet common challenges. Workers in both systems have long been aware, as a group of Midwest welfare officials has framed it, that "the financial self-sufficiency of a family and the well-being of its children are interrelated such that states cannot separate one from the other." And some states have moved quickly to seize new opportunities for collaboration opened by the passage of PRWORA. Indeed, a recent Urban Institute survey of joint efforts that are now under way concludes, "The collaboration that is occurring is a great accomplishment when compared with the limited efforts before welfare reform."[27] ■

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[1]M. Courtney, A. Dworsky, A. Zinn, and I. Piliavin, "Involvement of TANF Families with Child Welfare Services," paper presented at the Association for Public Policy Analysis and Management Research Meeting, Washington, DC, November 2001.

[2]P. Chase-Lansdale, R. Moffitt, B. Lohman, A. Cherlin, R. Coley, and others, "Mothers' Transitions from Welfare to Work and the Well-Being of Preschoolers and Adolescents," *Science* 299 (7 March 2003): 1548–52; K. Shook Slack, J. Holl, B. Lee, M. McDaniel, L. Altenbernd, and A. Stevens, "Child Protective Intervention in the Context of Welfare Reform: The Effect of Work and Welfare on Maltreatment Reports," November 2003 (forthcoming in the *Journal of Policy Analysis and Management*). On the issue of children's supervision, see S. Vandivere, K. Tout, J. Capizzano, and M. Zaslow, *Left Unsupervised: A Look at the Most Vulnerable Children*, Child Trends Research Brief No. 2003-05, Washington, DC, April 2003.

[3]Chase-Lansdale and colleagues, "Mothers' Transitions," p. 1551; C. Paxson and J. Waldfogel, "Welfare Reforms, Family Resources, and Child Maltreatment," *Journal of Policy Analysis and Management* 22, no. 1 (2003): 85–113, quotation p. 85.

[4]Data drawn from the U.S. Department of Health and Human Services, Administration for Children and Families, *The AFCARS Report: Interim FY 1999 Estimates as of June 2001*, Washington, DC, 2001, on the Web at <http://www.acf.dhhs.gov/programs/cb/publications/afcars/june2001.htm>, and *Child Maltreatment 2001* at <http://www.calib.com/nccanch/statutes/>.

[5]A comparable study of TANF families and child protective services in Delaware is reported in D. Fein and W. Lee, "The Impacts of Welfare Reform on Child Maltreatment in Delaware," *Children and Youth Services Review* 25, nos. 1–2 (2003): 83–111.

[6]See, for a discussion of these difficulties, C. Paxson and J. Waldfogel, "Work, Welfare and Child Maltreatment," *Journal of Labor Economics* 20, no. 3 (2002): 435–74. The terminology of child welfare investigations and reports is in itself complex and open to misunderstanding and controversy. See K. Tumlin and R. Geen, *The Decision to Investigate: Understanding State Child Welfare Screening Policies and Practices*, Urban Institute, New Federalism: Issues and Options for States No. A-38, Washington, DC, 2000.

[7]B. Needell, S. Cuccaro-Alamin, A. Brookhart, and S. Lee, "Transitions from AFDC to Child Welfare in California," *Children and Youth Services Review* 21 (1999): 815–41; K. Shook, "Does the Loss of Welfare Income Increase the Risk of Involvement with the Child Welfare System?" *Children and Youth Services Review* 21 (1999): 781–814.

[8]Shook, "Does the Loss of Welfare Income Increase the Risk of Involvement with the Child Welfare System?"

[9]Many other factors, including sudden domestic crises or parental neglect and abuse may lead to a child being placed away from the immediate family, either by the parent or by the court, but only about half of children in foster care are placed because of abuse or neglect, and the numbers in foster care are strongly affected both by the availability of foster families and by the size of foster care payments. See, e.g., P. Brandon and G. Fisher, "The Dissolution of Joint Living Arrangements among Single Parents and Children: Does Welfare Make a Difference?" *Social Science Quarterly* 82, no. 1 (March 2001): 1–19.

[10]For a comparison of welfare policies among Midwestern states, see University Consortium on Welfare Reform, *Welfare Reform in Illinois: Is the Moderate Approach Working?* Second Annual Report from the Illinois Families Study, May 2002, Table 59, on the IFS Web site at <http://www.northwestern.edu/ipr/publications/papers/IFSsummary2.pdf>.

[11]R. Goerge and B. Lee, *Illinois 2000: State of the Child Report*, Chapin Hall Center for Children at the University of Chicago, 2000.

[12]Tumlin and Geen, "The Decision to Investigate."

[13]The Illinois Families Study is a six-year panel study of welfare reform being conducted by a consortium of Illinois universities. For descriptions and publications, see the IFS World Wide Web site, <http://www.northwestern.edu/ipr/research/IFS.html>.

[14]The length of time from the mother's interview through February 2001 (the last month for which administrative data were available) ranged between 6 and 18 months.

[15]The average score on the Center for Epidemiological Studies-Depression (CES-D) scale for mothers with CPS involvement was 6.62; for uninvolved mothers the average score was 5.54.

[16]M. McDaniel and K. Slack, "Life Events and the Poor: Do Disruptive Life Events Increase the Risk of Investigation by Child Protective Authorities?" paper presented at the Fall 2002 conference of the Association for Public Policy Analysis and Management.

[17]It is, of course, possible that those who left more slowly are different from the others in ways that are unmeasured yet are associated with CPS involvement. Researchers sought to minimize these biases by taking into account women's pre-welfare-reform wages and their lifetime welfare receipt.

[18]Wisconsin Works and related program data retrieved in September 2002 from the Web site of the Wisconsin Department of Workforce Development, <http://www.dwd.state.wi.us/dws/rsdata/w2data.htm>; U.S. Census Bureau, U.S. state and county quick facts, retrieved in September 2002 from the Census Bureau Web site, <http://quickfacts.census.gov/qfd>. Among Wisconsin counties, Milwaukee is unique in being divided into six geographic regions, each administered by a private W-2 agency acting under contract to the state. The structural and contractual differences among the agencies have led to variation in the range and quality of services provided, in the nature of the population served, and in outcomes for participants. How much of the variation was due to agency practices, how much to differences in each agency's participant population, is not yet clear.

[19]U.S. Department of Health and Human Services, Administration for Children, Youth and Families, *Child Maltreatment 2000: Reports*

from the States to the National Child Abuse and Neglect Data System, Washington, DC, 2002; State of Wisconsin Department of Health and Social Services, Division of Community Services, Bureau for Children, Youth and Families, *Annual Child Abuse and Neglect Report, 1993 Data*, Madison, WI, 1994.

[20]Principal investigators for the study are IRP affiliates Irving Piliavin and Mark Courtney. See the IRP Web site, <http://www.ssc.wisc.edu/irp/> under "Research/Welfare Reform/Wisconsin Studies" for the full reports.

[21]A third of respondents received a mean CES-D score of 12.8.

[22]These figures are almost certainly an underestimate of the incidence of child maltreatment because of gaps in the CPS data reported by the Wisconsin CPS system. For example, only 72 percent of the case heads listed in the CPS data have social security numbers attached, and the match may have missed some sample members. Also, some sample members lived outside Milwaukee County during part of this time.

[23]Needell and colleagues, "Transitions from AFDC."

[24]R. Goerge and B. Lee, *Changes in Child Social Program Participation in the 1990s: Initial Findings from Illinois*, Joint Center for Poverty Research Working Paper 199, Northwestern University/University of Chicago, July 2000.

[25]Needell and colleagues, "Transitions from AFDC to Child Welfare in California."

[26]See R. Geen, L. Fender, J. Leos-Urbel, and T. Markowitz, "Welfare Reform's Effect on Child Welfare Caseloads," Assessing the New Federalism Discussion Paper 01-04, Urban Institute, Washington, DC, 2001.

[27]Midwest Welfare Peer Assistance Network (WELPAN), *Eliminating the Silos: Or, It's Not Just Welfare Anymore*, Institute for Research on Poverty, University of Wisconsin–Madison, January 2002, p. 8. C. Andrews, R. Bess, A. Jantz, and V. Russell, *Collaboration between State Welfare and Child Welfare Agencies*, New Federalism: Issues and Options for States No. A-54, Urban Institute, Washington, DC, 2002. One example of such integration is El Paso County, Colorado (discussed in the article in this *Focus* by Mark Ragan).

Left behind: SSI in the era of welfare reform

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In 1974, when Supplemental Security Income (SSI) began as a program to aid the aged, the blind, and individuals with disabilities who are also poor, it was relatively small, providing benefits to a mostly elderly population. SSI is now the largest federal, means-tested, cash assistance program in the United States. In 2001 an average of 6.7 million people received benefits, and federal and state expenditures for the program totaled over $32 billion. The majority of SSI recipients are under 65, and the caseload is dominated by children and working-age adults with disabilities; only about 30 percent of recipients are elderly (see Figure 1).

The rapid growth of SSI and the changing composition of its beneficiaries are sufficient reason to explore its role in the broader structure of U.S. social welfare programs. An examination is the more urgent because of the current efforts to integrate a variety of people who have not worked, or were not previously expected to work, into the labor force. Since SSI was established, social expectations regarding who should work and who should be entitled to income support have changed dramatically. Most people are living and working longer than in 1974; in addition, the Americans with Disabilities Act (ADA) of 1990 granted people with disabilities a legal right to equal access to employment, suggesting that the aged, blind, and disabled may be more likely to work than in the past.

The accelerating devolution of fiscal and administrative responsibility for social programs to state and local governments has changed some of the dynamics driving the SSI program. SSI will clearly be affected by the changed legislative environment for social welfare programs. There are now strict time limits on cash assistance and new requirements that recipients of public assistance, with few exceptions, work or prepare for work. What are the likely interactions between SSI and Temporary Assistance for Needy Families (TANF), the main cash welfare program? Now that TANF is no longer an entitlement, and control of TANF policies is largely in state hands, will the role of SSI in the social safety net change?

Of special importance is the question of whom the program should serve. The boundaries separating the working-age and child populations eligible for SSI from those eligible for other income-based benefits are imprecise and fluid, as we shall later show, and their demarcation is

Means-Tested Transfer Programs in the United States

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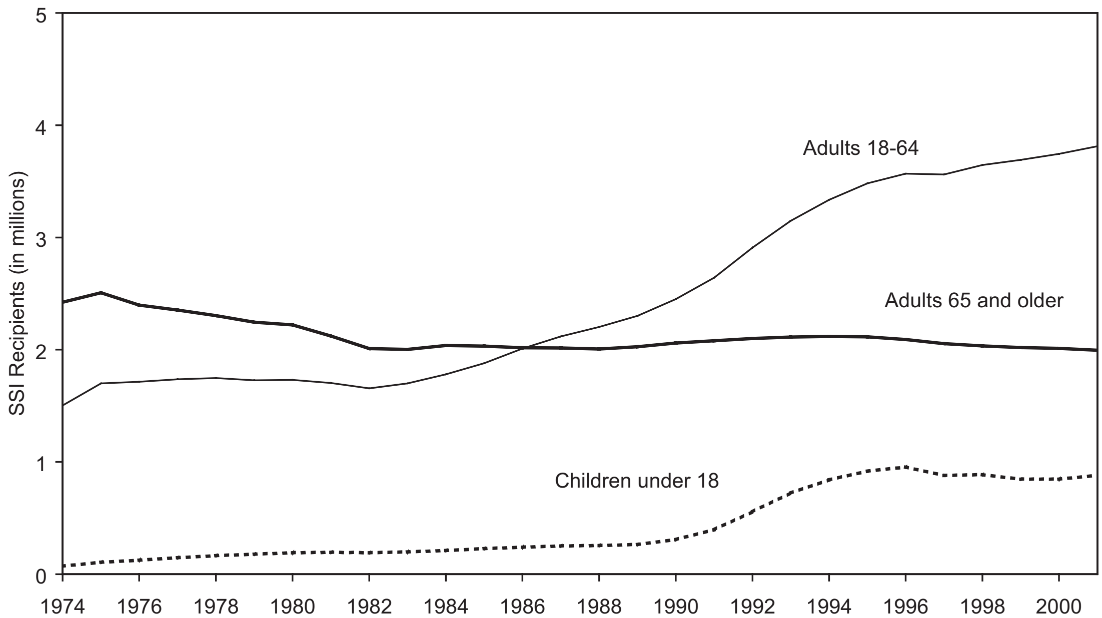

Figure 1. SSI caseloads by age group, 1974–2001.

Source: Annual Statistical Supplement, SSA, various years.

a political almost as much as it is a medical decision. The persistence of high poverty rates among children, even during the long and robust economic expansion of the 1990s, suggests that some form of income maintenance program must remain a crucial part of the social safety net. But should SSI play that role?

In this article we review the role that SSI has played to this point, examining in particular the evidence regarding its behavioral and labor market effects on the population of working-age adults. We briefly consider the directions SSI might take in a work-dominated welfare environment with a multiplicity of state and federal programs.

The rationale for SSI

In 1972, Congress rejected the Nixon administration's Family Assistance Plan (FAP), the first serious attempt to institute a federal program that would provide support for all low-income families. But it passed legislation creating SSI, largely because providing income assistance to people not then expected to work seemed unlikely to have much effect on employment. Through SSI, Congress federalized the administration of benefits, set minimum benefit standards, imposed uniform eligibility criteria, and set relatively low benefit reduction rates on earnings from work. But at the very beginning of the program, Congress began to blur the traditional ability-to-work standard for determining who should be entitled to public welfare payments. By extending benefits to the needy families of disabled children, SSI expanded the social safety net to include families headed by adults who were "employable."

The goals of SSI have not changed, but the program itself has undergone extensive legislative and administrative revisions over the years. These have sought primarily to make the criteria for disability more precise (the term generally used is "target effective") and to encourage recipients to return to the workforce. The Social Security Disability Amendments of 1980, for example, allowed recipients to deduct some work expenses from earnings, thus in effect raising the level of allowable earnings. And in the 1996 welfare reform legislation, Congress restricted the eligibility of noncitizens for SSI, out of a belief that the program had become a magnet for newly arrived noncitizens with immigration sponsors.

The criteria for SSI eligibility

The categorical criteria

The first two criteria for SSI eligibility—age and blindness—are straightforward and easily determined. Disability screening is more complex, and has been extremely controversial. First, there is no simple definition of disability. The most common measure in the economics literature distinguishes three components: the presence of (1) a pathology—a physical or mental malfunction—that leads to (2) an impairment—a physiological, anatomical, or mental loss or abnormality—that results in (3) an inability to perform, or limitation in performing, socially expected roles and tasks.[1] For men, and increasingly for women, market work is a socially expected role, and those unable to work or limited in their work ability are considered to be disabled.

SSI applicants move through a multistep process in which their pathology, impairment, and level of functioning are judged. Although the disability criteria are federal and therefore uniform nationwide, state disability agencies, working with vocational and medical consultants, act as the primary gatekeepers and make the determination of disability. If a decision cannot be reached on medical grounds alone, applicants are evaluated in terms of their "residual functional capacity" (can they work, either in the kind of job they have held in the past, or in another kind of job?). The interpretation of the criteria clearly varies systematically from state to state and over time. For instance, the 20-year average, from 1974 to 1993, of within-state initial acceptance rates (i.e., the percentage of those applying for SSI benefits who are accepted at the first level of evaluation each year in a given state), ranged from lows of 28 percent in Louisiana and New Mexico to highs of 48 percent in Delaware, New Jersey, and Rhode Island.

Screening children has proved more complex and contentious than screening adults. The originally stringent criteria for eligibility were broadened in 1990 as a result of the U.S. Supreme Court decision, Sullivan v. Zebley. This decision held that to meet the standard of equal treatment, the initial determination of disability must include a functional limitation component parallel to that of adults—for example, certain schooling difficulties should be considered ground for eligibility. With the addition of these new and broader grounds, the SSI child caseload, about 185,000 in 1989, began to grow rapidly, reaching 955,000 by 1996. In that year Congress, as part of the welfare reform legislation, again raised the bar for eligibility by redefining the criteria, and since then program growth has been slower.

The economic criteria

To be eligible for SSI an individual must have "countable income" less than the federal benefit rate, $9,360 per year in 2002, and "countable assets" below $2,000 (for couples, the amounts are 150 percent of the individual rate). Not all income is countable: $65 a month in earnings are disregarded. Thereafter, for every dollar earned, a recipient loses $0.50 in SSI benefits. In-kind assistance like food stamps and public housing subsidies and $20 in income from other sources are disregarded, but all other government benefits are taxed at 100 percent. If someone eligible for SSI lives with others who are not—a spouse, or working-age parents—a portion of the income of those others is also considered in determining the amount of the SSI payment.

Although the federal benefit rate and thus the monthly income test rise with inflation every year, the income disregards, the asset limits, and the value of assets that are allowed (a car, or household goods) have never changed, and have fallen substantially in real terms since 1974, eroding the value of the SSI benefits and narrowing the population of potential recipients. In 2002 dollars, for example, the $65 earnings disregard would be $275; the $2,000 asset limit for an individual would be $6,345. The population now eligible for SSI is thus smaller and more economically disadvantaged than it was in 1974.

SSI benefits

In general, SSI beneficiaries with no countable income receive the maximum monthly benefit ($545 for an individual, $817 for a couple in 2002). Although the original objective of SSI was to guarantee an income at the poverty level, the federal minimum benefit in fact never represented more than about 75 percent of the poverty threshold for an eligible individual (90 percent for a couple).

SSI recipients are required by law to apply for every government program for which they may be eligible. In most states, they are automatically eligible for food stamps and Medicaid. A majority of states pay an SSI supplement, but several factors minimize the importance of these. For example, only 23 states provide supplements to the vast majority of SSI recipients living independently in their own households. Because state supplements are not annually adjusted for inflation, the real value of the median payment to individuals declined by about 60 percent between 1975 and 1997.

As a federal income maintenance program, SSI is funded from general revenues and the federal government pays the bulk of the benefits.[2] States thus have an incentive to move individuals to SSI from state programs, including TANF, which is federally financed as a fixed block grant that does not rise as caseloads increase. This fiscal incentive may well explain the active role state welfare agencies play in SSI outreach programs.

The characteristics of SSI recipients

Demographic composition of the SSI rolls

As the basis of eligibility and the age composition of SSI recipients have changed, a number of other key demographic characteristics also have changed (Figure 2). First, the proportion of males and nonwhites has increased. So too has the number of noncitizens, which shrank when restrictions were imposed in 1996, but still constitutes about 11 percent of the SSI population. Second, the number of recipients qualifying on the basis of physical disability has shrunk, and over 35 percent of the caseload now is qualified on the ground of psychiatric disorders (the percentage qualifying by virtue of mental retardation has remained essentially stable).

What proportion of people who meet the categorical, economic, and citizenship tests for SSI are actually participating? We can provide only a rough approximation,

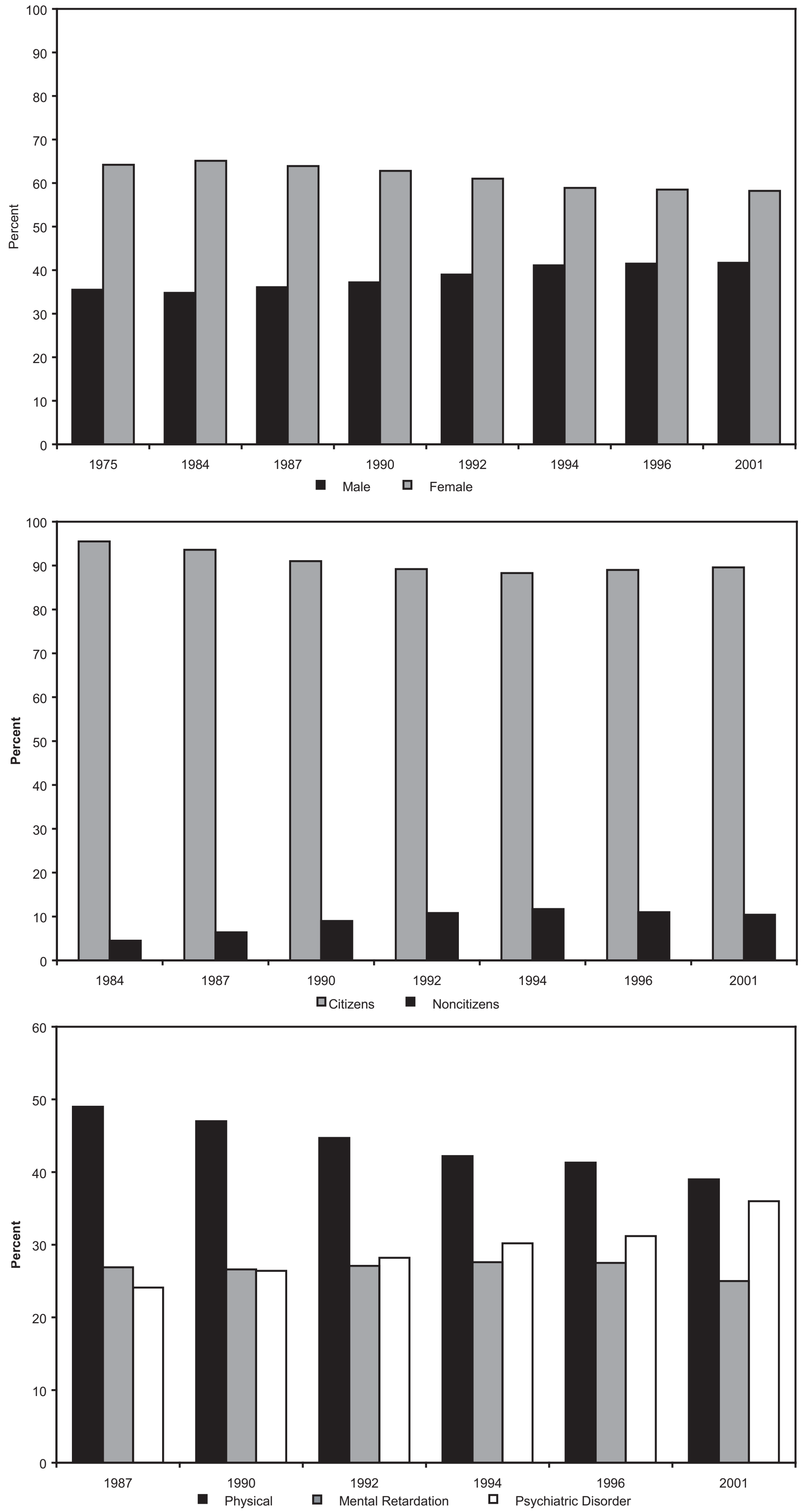

Figure 2. Trends in key characteristics of SSI recipients.

Source: U.S. House of Representatives, Committee on Ways and Means, *Background Material on Data and Programs within the Jurisdiction of the Committee on Ways and Means* (Washington, DC: U.S. Government Printing Office, 1998); Annual Statistical Supplement, SSA, 2001.

Table 1
Multiple Program Participation by SSI Recipients, 1999, by Gender and Age
(in percentages)

	Male			Female			
	0–17	18–64	65+	0–17	18–64	65+	All
Simultaneous Program Participation[a]							
SSI Recipients							
OASDI	7.3	31.8	55.9	7.2	29.1	60.4	37.6
Medicaid	79.6	89.9	91.9	78.4	90.8	92.3	89.4
Medicare	(b)	32.2	77.7	(b)	27.8	88.0	41.4
General assistance	(b)	0.5	0.8	(b)	2.3	0.4	1.0
WIC	(b)	(b)	(b)	(b)	4.4	(b)	1.4
School Meals	78.6	0.8	(b)	75.9	0.5	(b)	10.8
TANF	(b)	1.9	0.5	1.2	11.8	1.0	4.5
Unemployment Insurance	(b)	(b)	(b)	(b)	(b)	(b)	(b)
SSI Households							
Energy assistance	11.7	10.9	9.4	7.3	13.6	10.3	11.4
Housing assistance	9.8	6.6	6.6	11.9	12.4	8.6	9.4
Food stamps	37.0	39.3	31.2	36.2	50.9	42.5	42.6

Source: SSI Annual Report, 2001.

[a]Based on data from the Survey of Income and Program Participation.
[b]Less than 0.5 percent of SSI recipients in the gender/age group participate in the program.

using census data. We estimate that the participation rate of the poor elderly declined from around 79 percent in 1974 to about 54 percent in 1982; it has fluctuated since then, but no more than two-thirds of poor, elderly people now receive SSI benefits. Participation rates among poor people of working age, in contrast, have risen, especially during the 1990s; in 1998, 20 percent of this group were SSI recipients, up from 15 percent in 1974. Recipiency rates for poor children also increased rapidly over the 1990s but remain in comparison low—around 6.6 percent in 1998.[3] Increases in disability rates did not cause the changes; these rates have not risen since 1980.

Multiple program participation among SSI beneficiaries

As SSI policies mandate, a large fraction of SSI beneficiaries participate in other government programs (Table 1). In 1999, nearly all SSI recipients received Medicaid—89.4 percent. A substantial fraction also received Medicare—41.4 percent in 1999; nearly 40 percent were also receiving Old Age, Survivors, and Disability Insurance, on the ground either of retirement or disability.[4] In the same year, over 40 percent of SSI beneficiaries lived in households receiving food stamps. One in ten SSI households received one of the following: school meals, energy assistance, and housing assistance. Over time, the proportion receiving social security and Medicare has declined, while the proportion receiving other public benefits has risen. The fact that a growing share of SSI recipients receive benefits from multiple means-tested programs suggests that the work incentives faced by the typical beneficiary are increasingly complex. We discuss how this potentially affects the behavior of SSI beneficiaries later in this article.

Factors affecting SSI participation

Supply of and demand for benefits

Although application for SSI disability benefits is a function of health, it also is influenced by the eligibility criteria of income support programs (both social insurance and means-tested), the generosity of their benefits relative to work, macroeconomic conditions, and the applicant's education and job skills. In this brief discussion we look first at the evidence regarding caseload dynamics and the supply of benefits, and then at the demand for benefits.

The supply of benefits has fluctuated over time, largely as the stringency of the screening regulations has fluctuated. From the mid-1970s through the Social Security Disability Amendments of 1980, the disability determination and review process was steadily screwed tighter. The number of SSI recipients fell, and the level of complaints about the harshness of the system rose. In 1984, the Social Security Administration (SSA) issued revised guidelines that loosened the requirements. Thereafter, the number of working-age adults with disabilities rose by about 4–5 percent a year during the economic growth years of the 1980s. When the next downturn came in the early 1990s, conditions were ripe for a surge in applications. The increases in the disability transfer population in the early 1990s exceeded anything seen since the program began. Acceptance rates rose to almost 45 percent in 1992, well above those in the 1980s.

Economic recovery and congressional action with respect to SSI disability have tempered the growth in the working-age adult SSI population, but acceptance rates remain well above those in the 1980s, suggesting that rolls could easily increase in response to weaker economic conditions. Fluctuations in applications have been as large as changes in the disability rolls. To some extent they have mirrored changes in eligibility standards, but other factors—local economic conditions, outreach efforts by the SSA and state governments, and the relative generosity of SSI—have also contributed. Regulatory changes, such as the increased weight given to pain and other symptoms, the increased reliance on evidence from the patient's own doctor (rather than SSA examiners), and broader standards for those with mental impairments all contributed to the surge in applications. Among economic factors, long-run effects appear to be more important than transient local fluctuations. The national recession of the early 1990s contributed to the rapid growth of SSI; it has been estimated that a 1 percentage point rise in the unemployment rate was associated with a 2 percent increase in applications.[5] Eligibility standards and economic circumstances clearly interact: for example, in the earlier recession of the 1980s, at a time of tightened eligibility standards for SSI, there was no such surge. Changes in the unemployment rate had a smaller effect on the number awarded benefits than on applications, suggesting that recessions induce those with less severe disabilities and greater likelihood of being rejected to apply for SSI benefits.

The SSI program also grew over the 1990s because of state welfare policies. Many states cut General Assistance—once a common form of state cash welfare for single men or others who did not qualify for Aid to Families with Dependent Children (AFDC)—and those that did experienced above-average growth in applications for SSI benefits. Indeed, a number of state governments made conscious efforts to shift individuals onto SSI. States and other third parties such as private social welfare organizations have often acted as intermediaries in the complicated SSI application process to make these transfers easier.

Program incentives and caseloads

Like all public assistance policies, programs for the disabled must contend with potential "moral hazard" problems and with work disincentives induced by program rules.[6] Because the United States has few program alternatives that offer long-term benefits to working-age persons who are not working, the relatively generous benefits and imperfect screening mechanisms in SSI could pose significant work disincentives for persons with disabilities who are considering applying for benefits. Additionally, the high marginal tax rates associated with multiple program participation could discourage exit from SSI and entry into the labor force. These same factors potentially affect the labor market decisions of adults with disabled children on SSI.

If those with disabilities were not expected to work, the bundle of program disincentives we have discussed above would be irrelevant. Marginal tax rates could approach 100 percent with no change in work behavior. Moreover, to the degree that age and work disability are clearly defined and immutable categories, differences in guarantees, time limits, or funding mechanisms for SSI and other programs would have little effect; the size of the SSI program would primarily reflect the prevalence of health limitations among low-income families. But neither the definition of disability nor the condition itself are immutable. And if work is both possible and expected for people with disabilities who meet other eligibility criteria, then policy discussions of SSI must consider such issues as, for example, the trade-offs among tax rates, guarantees, and break-even points.

In the United States, the typical working-age person with a disability acquired that disability at some point during his or her work life.[7] Social policy may, therefore, influence not only whether such workers remain in the labor force or end up in a transfer program, but also the speed at which the transition takes place. Thus the behavioral responses to worsening health depend not only on the severity of the condition but also on the social environment for people with health impairments—the availability of jobs, of accommodation, rehabilitation, and training, the legal supports and protections, and the accessibility and generosity of SSI and other government transfer programs. Because the 1996 welfare reforms removed entitlement to many public assistance programs, SSI policy decisions must also, increasingly, take into account the actions of state and local governments.

In the end, the more important question is not whether the SSI program induces behavioral changes, but whether these changes are small relative to the social gains from redistributing income to less advantaged persons. In general, there is a social consensus that it is important to protect people against the economic consequences of age and disability. But because a socially appropriate eligibility standard for SSI is difficult to assess, a more stringent set of definitions will deny benefits to some who are less capable of work than is socially acceptable. More lenient criteria, however, involve a trade-off: given the presence of uncertainty, do the social benefits outweigh the efficiency costs of giving benefits to some who do not "deserve" them—who are more capable of work?

Adults with disabilities. Despite a large literature on the magnitude of the moral hazard effects of SSDI, AFDC, and food stamps, little research exists on the moral hazard problem in SSI.[8] Although it is tempting to look to the research on other programs to gain insight into how the SSI program affects the behavior of low-income adults with disabilities, doing so is problematic. Comparisons to SSDI are constrained by the fact that the typical SSDI applicant has very different characteristics from the typical SSI applicant, who is mostly younger and poorer, more likely to come from an ethnic or racial minority, to have functional limitations arising from mental conditions, less education, and fewer work skills and experience. Comparisons to other means-tested programs eliminate some of these problems, but are troubled by their broader scope of coverage and easier entry and exit (i.e., no disability screening).

The small amount of research that does exist on the behavior of SSI applicants or recipients shows that the average SSI recipient faces substantial disincentives to leave the rolls. Recent research shows that only a small fraction of SSI applicants work in the years leading up to their application. This limited work history, combined with the long process of establishing that they have a medical condition that prevents them from working, makes it difficult for beneficiaries to locate employment that compensates them for the loss of income associated with moving off of SSI and into the labor market. Finally, those who consider returning to work may be subject to very high marginal tax rates, in the form of reduced benefits from SSI and other transfer programs, plus the regular assortment of federal, state, and local taxes, as well as the potential loss of medical insurance (Medicaid).[9] Combined, these implicit and explicit taxes can produce very high marginal tax rates for SSI recipients. For example, in 1994 a single, male SSI recipient faced net tax rates ranging from 23 percent ($0 earnings) to 89 percent ($522 in earnings).

In the hopes of offsetting some of these disincentives, adult recipients of SSI are eligible for a variety of federally funded and state-administered vocational rehabilitation programs; the pool of eligible providers was expanded in 1999 by the legislation called, significantly, the Ticket to Work/Work Incentives Improvement Act. But efforts to encourage SSI recipients to return to work have proved discouraging. The SSA conducted two large-scale return-to-work demonstration projects to study the effectiveness of providing rehabilitation and employment services to SSI beneficiaries; these were the Transitional Employment Training Demonstration, TETD (1985–87), and Project Network (1992–95). Both programs called for volunteers. The first focused on mentally retarded beneficiaries, the second on beneficiaries with a wider range of diagnoses. Both projects were evaluated using random-assignment methodologies. For both, the conclusions were similar: TETD produced significant earnings gains for participants over six years, but the small impact on SSI payments was not nearly sufficient to cover the average cost of providing services to participants. In Project Network, earnings gains in the first two years were enough to offset reductions in SSI and SSDI benefits, but did not offset the costs of administration and training, and a third year follow-up showed that earnings gains had declined to zero. In both programs, the fraction of those eligible who volunteered was very small, around 5 percent. This suggests that transitional employment services are unlikely to have a large effect on the SSI population as a whole.

Families of children with disabilities. The primary justification for awarding cash benefits to poor families containing a disabled child is that they face economic burdens associated with their child's poor health. These burdens may include lost earnings as well as medical expenses, but SSI child benefits are not based on an earnings replacement or expenditure offset formula; they are simply means-tested against current income. With current data, it is difficult to know whether families of children with disabilities became low-income because of the earnings declines and/or increases in expenses associated with the onset of the child's disability, or whether the families which qualify for SSI benefits had low incomes before the onset of the child's disability. In the latter case, the extra burdens of the disability would not be the root cause of their poverty.

The moral hazard faced by families whose child receives SSI benefits—the incentive to have their child become and remain eligible for SSI—depends to some degree on their economic circumstances before the child became disabled. If the typical family is a middle-income family whose economic well-being declines drastically when their child becomes disabled, a cash benefit that only partially offsets these losses is unlikely to be a real disincentive to work or to the child's recovery. But for families that are already economically vulnerable, SSI benefits for a disabled child may replace or even increase family income.

It has been estimated that perhaps as many as two-thirds of the children coming onto the SSI rolls in the early 1990s, after the Zebley decision, were in families already receiving some type of welfare assistance.[10] Other things equal, families eligible for multiple programs are likely to select those that provide them with the highest net benefit. SSI is associated with higher costs (more stringent application rules, greater stigma, etc.), but as the benefits associated with other programs shrink in comparison, more families may be willing to incur these costs to improve their economic circumstances. According to Jeffrey Kubik, in 1990, a family of three, living in Maryland with one disabled child, could have increased annual family income by over $3,500 if one child transferred to the SSI rolls.[11]

Clearly behavioral change is much more likely in families confronted with such financial incentives. And there is evidence that families are more likely to report disabilities in children—particularly mental impairments—in states with low welfare benefits than in states with high welfare benefits. At the same time, work is affected. The Zebley decision appears to have had a significant dampening effect on the employment of unmarried women without a high school education, and increases in SSI benefits lower the probability that poorly educated household heads will work.[12] In general, the evidence suggests that working-age adults and families of children with

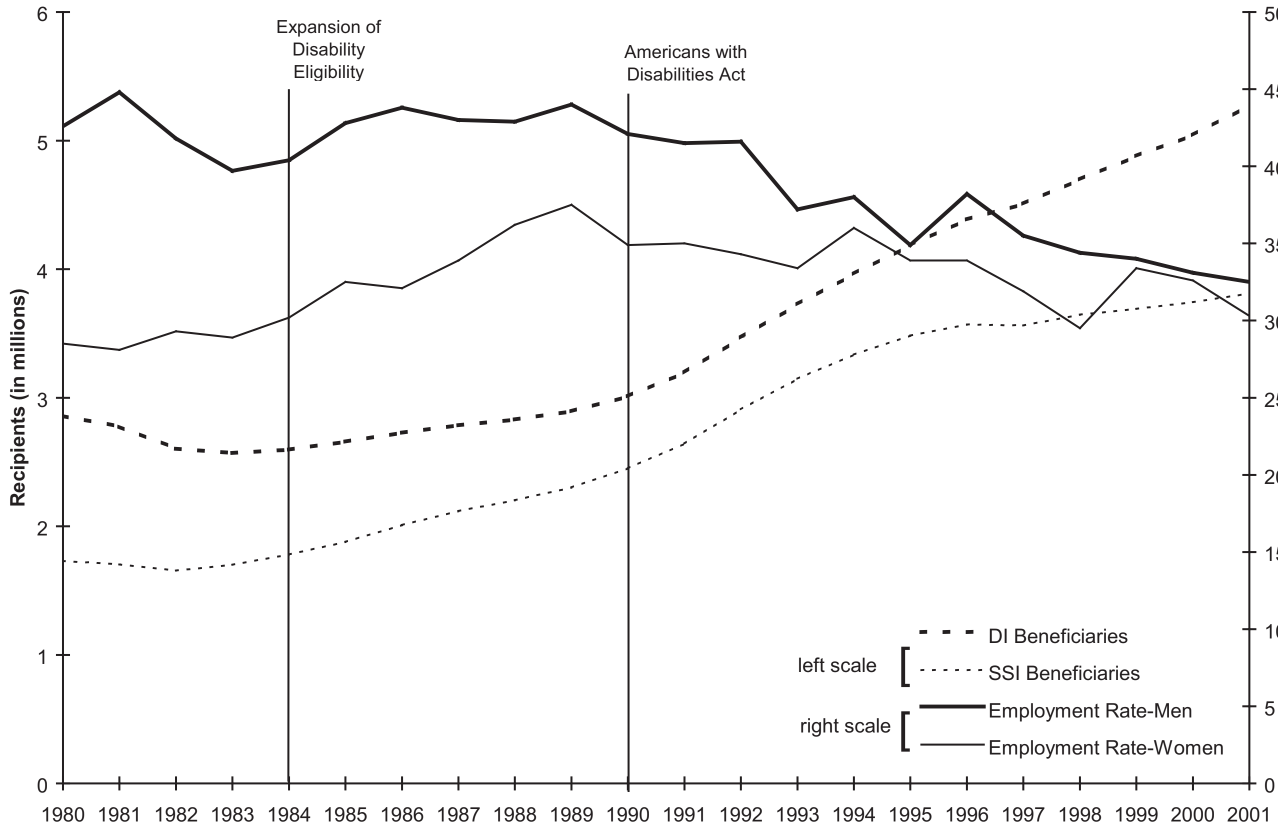

Figure 3. Disability benefit rolls and employment rates among working-age men and women with disabilities.

Source: Authors' calculations of employment values from various years of the March Current Population Survey; SSI and DI information from various years of the Annual Statistical Supplement, SSA.

disabilities are moving from other welfare programs to SSI.

SSI in the era of reform

As noted earlier, SSI was born out of a compromise between those wanting to provide a guaranteed income floor under all Americans and those wishing to limit it to individuals not expected to work, at that time, the aged, blind, and disabled. Times have changed since this original compromise. Individuals are living and working longer, the normal retirement age for Social Security benefits has been raised, the Americans with Disabilities Act has granted people with disabilities a legal right to access to employment, and Congress has agreed that nearly all Americans (even young, single, mothers with children) are expected to work. For policymakers, this creates a conundrum: Should people with disabilities be expected to work or not?

This conundrum has been brought to the forefront by recent trends in employment and benefit receipt among those with disabilities (Figure 3). Figure 3 shows employment rates of working-age men and women with self-reported disabilities and the number of individuals receiving benefits for 1980–2001. As the figure shows, while employment rates for those with self-reported disabilities rose through the economic expansion of the late 1980s, they have fallen almost continuously since, even during the strong expansion of the 1990s. At the same time that employment has been falling, the number of individuals on disability benefits (SSI and SSDI) has been rising.

While researchers debate the reasons for the declining employment and rising benefit rates of men and women with disabilities during the 1990s, policymakers are debating whether these outcomes are signs of the success or failure of U.S. disability policy. For some advocates of those with disabilities, the increasing disability benefit rolls reflect an appropriate increase in support for a group of individuals with limited labor market opportunities. For others, the increased rolls reflect shortcomings of a transfer-focused policy that failed to provide the necessary supports (e.g., universal health insurance, rehabilitation, and job services) to allow individuals to select work over benefits. For others still, the outcomes observed during the 1990s are simply evidence of the law of unintended consequences in policymaking, where policies to promote economic well-being (in the case of benefits) and work (in the case of the ADA) actually increased the disability benefit rolls and reduced employment.

Whatever perspective one takes on the increase in the SSI disability population, as the population of SSI changes and the group of those not expected to work narrows, the structure of SSI comes into question. First, despite some attempts to offset the negative work incentives in SSI, exits to employment, even among this relatively younger population, are rare. The high tax rates and relatively generous benefits of SSI, which made sense for populations not expected to work, are a serious disincentive in a population where work is possible. For those with a capacity to work, SSI and the eligibility for other programs that it conveys can become a classic "poverty trap." Since the Zebley decision, moreover, nearly a million children have entered the SSI rolls. Given the broad commitment to integrating people with disabilities into the workforce embodied in the ADA and welfare-to-work programs of the 1990s, major initiatives to integrate these children into the workforce rather than onto adult disability rolls are likely to be considered. Policies targeting young people with disabilities would surely be better focused on education, rehabilitation, job training, and accommodation than on increasing or expanding transfers. Especially for the children, investing more time, energy, and resources in education and development than in income supplementation for their families might be desirable.

Second, in the absence of a universal, guaranteed-income program for all Americans of the kind envisioned in the Nixon administration's FAP, the operational flexibility of the eligibility criteria for SSI has made the program sensitive to economic downturns and to increases in the pool of vulnerable people. The recent legislative changes in the social safety net and the increasing percentage of the population aged 50 and over (a point at which the incidence of disability rises sharply), when combined with the end of the record growth of the 1990s business cycle and the slide of the economy into recession, make further increase in the rolls likely. ■

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[1]For further discussion see S. Nagi, *Disability and Rehabilitation: Legal, Clinical, and Self-Concepts of Measurement* (Columbus: Ohio State University Press, 1969), and "Disability Concepts Revisited: Implications to Prevention," in *Disability in America: Toward a National Agenda for Prevention*, ed. A. Pope and A. Tarlov (Washington, DC: National Academy Press, 1991). A useful discussion of disability measurement also can be found in A. Jette and E. Badley, "Conceptual Issues in the Measurement of Work Disability," in *The Dynamics of Disability: Measuring and Monitoring Disability for Social Security Programs*, Part II (Washington, DC: National Academy Press, 2002), pp. 179–210.

[2]In 1975, state supplements accounted for about 27 percent of all SSI payments. By 1998, the state proportion had declined to 13 percent of the total.

[3]In 2001 the U.S. population with incomes below the poverty threshold included 17.8 million people of working age and 3.4 million people over 65, a poverty rate of 10.1 per cent; there were11.7 million poor children under 18, a poverty rate of 16.3 percent. U.S. Census Bureau, *Poverty in the United States, 2001*, Report P60-219, September 2002, Table 1.

[4]The Social Security Administration (SSA) administers Old Age, Survivors, and Disability Insurance (OASDI). Old Age and Survivors Insurance (OASI) is the benefit generally known as "social security." Social Security Disability Insurance (SSDI or DI) provides payments to individuals who have worked for the required period and are judged to be disabled under the SSA guidelines. It is not means-tested, but does have restrictions on labor earnings. The SSA also administers the SSI program.

[5]D. Stapleton, K. Coleman, K. Dietrich, and G. Livermore, "Econometric Analyses of DI and SSI Application and Award Growth," in *Growth in Disability Benefits: Explanations and Policy Implications*, ed. K. Rupp and D. Stapleton (Kalamazoo, MI: W. E. Upjohn Institute, 1998).

[6]Moral hazard is formally defined as the risk that the presence of a contract (in this case a social contract to provide benefits) will affect the behavior of one or more of the contract parties. The classic example is in the insurance industry, where coverage against a loss might increase the risk-taking behavior of the insured.

[7]In 1992, 70 percent of men and women who reported a health-related impairment said it started during their work life. R. Burkhauser and M. Daly, "Employment and Economic Well-Being Following the Onset of a Disability: The Role for Public Policy," in *Disability, Work, and Cash Benefits*, ed. J. Mashaw, V. Reno, R. Burkhauser, and M. Berkowitz (Kalamazoo, MI: W. E. Upjohn Institute, 1996).

[8]A review of this literature is J. Bound and R. Burkhauser, "Economic Analysis of Transfer Programs Targeted on People with Disabilities," in *Handbook of Labor Economics* 3(c), ed. O. Ashenfelter and D. Card (Amsterdam: Elsevier, 1999).

[9]Medicaid can be lost for those not meeting the 1619(b) program requirements. Those eligible for 1619(b) get to keep their Medicaid coverage for some period beyond the time at which they exceed the means test.

[10]J. Kubik, "Incentives for the Identification and Treatment of Children with Disabilities: The Supplemental Security Income Program," *Journal of Public Economics* 73 (1999): 187–215.

[11]Kubik, "Incentives for the Identification and Treatment of Children with Disabilities."

[12]Kubik, "Incentives for the Identification and Treatment of Children with Disabilities"; A. Garrett and S. Glied, "Does State AFDC Generosity Affect Child SSI Participation?" *Journal of Policy Analysis and Management* 19, no. 2 (2000): 275–95.

New systems of social programs? Local implementation of health care, Food Stamp, and TANF programs

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Over the last 15 years, human services policies in the United States have expanded their coverage from the "poorest" poor to the much wider range of low-income families who are working. Eligibility for public health insurance, particularly for children, has grown enormously since the late 1980s through Medicaid and the Children's Health Insurance Program (CHIP). Most states now cover children with family income up to twice the poverty level. And since the enactment of federal and state welfare reforms in the mid-1990, many low-income working families and former welfare recipients who are not receiving cash assistance have become eligible for a wide range of "work supports," such as child care subsidies, transportation assistance, job services, and even clothing vouchers.

These policy changes have produced shifts in the clientele of programs formerly closely tied to the cash assistance program. In one study of 16 states, over 70 percent of low-income adults and children enrolled in Medicaid in 2000 were not cash recipients, as compared with fewer than half before welfare reform. The percentage of households in the Food Stamp caseload receiving cash assistance declined from 42 percent in 1990 to 23 percent in 2001, while the percentage of households with earnings grew from 19 to 27 percent over the same period.[1]

These changes in actual clientele, however, appear to fall short of bringing in the large number of low-income working families now eligible for these and other benefits—a picture reinforced by recent enrollment trends. In addition, Food Stamp enrollments and take-up rates dropped in the latter half of the 1990s before slowly rising again in 2000. Medicaid enrollments fell less dramatically and recovered sooner, but some states still had fewer Medicaid enrollees in 2000 than in 1995.

It is not surprising that declining welfare caseloads may have affected access to Medicaid and Food Stamps, given the traditional administrative relationships among these programs. Before the 1996 federal welfare reforms, social assistance was organizationally integrated in the local welfare office. Primacy went to the cash assistance program (Aid to Families with Dependent Children or AFDC, the predecessor of Temporary Assistance for Needy Families, TANF). Clients would come to be certified for cash assistance, which was often the gateway to eligibility for Medicaid, food stamps, and other services and benefits such as child care subsidies. This "one-stop shopping" ensured that virtually all those receiving cash assistance also enrolled in Medicaid and the Food Stamp Program, but it was not designed to reach beyond the poorest families (i.e., those receiving cash assistance). Although families with incomes up to 130 percent of the poverty level were eligible for food stamps, support for working families was not an administrative priority.

It is thus worth asking whether and in what ways public human service agencies have reorganized their administrative structures and processes to reach a larger and economically diverse clientele. Have states really adapted their local human service systems so that working families find them more accessible? Have states allowed the disincentives to using assistance that are incorporated in TANF to dampen access to other programs? Or have they continued business as usual in the traditional, fragmented, "stovepipe" fashion that has long characterized human service administration in the United States?

This article reports on three separate though coordinated field research studies of the local implementation of TANF, Medicaid and CHIP, and the Food Stamp Program. The three studies were conducted in a total of 30 local sites (Table 1). The field research was conducted during 2001 and early 2002 by teams of public policy scholars with considerable knowledge of and research experience in the states they were studying. They were thus able to put recent institutional changes into some historical context. The analyses often draw from an eclectic range of interviews and public documents but provide a check on accuracy and interpretation that surveys cannot provide.[2]

Changing procedures at the "front end" of welfare administration

The most widespread movement toward linking programs has been the establishment of simpler, more permeable, and more discriminating processes for determining eligibility for Medicaid, food stamps, and TANF. When states

Table 1
Federalism Research Group, State Capacity Study
State and Local Study Sites

State	Local Area	Medicaid	TANF	Food Stamps
Arizona	Maricopa County	✓	✓	
	Coconino County	✓	✓	✓
Colorado	Denver County	✓	✓	
Florida	Dade Region	✓	✓	
	Palm Beach Region	✓	✓	
	Duval Region	✓	✓	
	Jefferson Region	✓	✓	✓
	Holmes Region	✓	✓	
Georgia	Fulton County	✓	✓	✓
Kansas	Wyandotte County	✓	✓	✓
Maryland	Baltimore	✓	✓	
Michigan	Genessee County	✓	✓	✓
	Kent County	✓	✓	
Mississippi	Hinds		✓	
	Coahoma		✓	✓
Missouri	Jackson County	✓	✓	✓
New Jersey	Essex County	✓	✓	✓
New York	Albany County	✓	✓	
	Monroe County	✓	✓	✓
Ohio	Franklin County	✓	✓	✓
	Hamilton County	✓	✓	
Oregon	Multnomah County	✓	✓	
	Jackson County			✓
Tennessee	Shelby County	✓	✓	
Texas	Harris County	✓	✓	✓
Utah	Salt Lake County	✓	✓	✓
Washington	King County	✓	✓	
	Yakima County	✓	✓	✓
West Virginia	Mercer County	✓	✓	✓
Wisconsin	Dane County	✓	✓	
	Milwaukee County	✓	✓	✓

first implemented their welfare reforms, access to Medicaid and food stamps for poor families with children still tended to run through TANF. The priority of the cash assistance review may have discouraged families from getting Medicaid or food stamps since TANF was typically restricted by new requirements such as job search or compliance with child support enforcement efforts.

By 2002, local welfare offices in the sample had largely eliminated the gateway role of cash assistance—or in some cases greatly expanded the width of the gate. People entering a welfare office are now mostly offered a variety of pathways to different benefits, depending on their needs and circumstances. The majority of agencies have implemented a common, streamlined application, often taken electronically, for all three programs. But though the applications are completed jointly, states have taken steps to ensure that failure by a family to qualify for one program does not improperly prevent them from qualifying for another. In some cases, states have taken the opposite tack by using categorical eligibility rules to make eligibility much easier to obtain. In Texas, for example, people who simply apply for TANF assistance and fail to get it—and whose income is below 165 percent of the federal poverty level and satisfy certain liberal asset limits—become categorically eligible for the Food Stamp Program because they have received TANF "case management" services.

Most of the local sites in our TANF and Medicaid samples also offer some form of preliminary screening process for people entering the offices. Clients may be given a single, preliminary application form that is used to route them precisely to the benefits or services they want and for which they may be eligible—as well as to prepare them for the application interviews. The forms are often short and simple, typically two to three pages long, and they usually do not require verification or documentation of statements. In Wisconsin a "screener" greets clients entering the job center and is responsible for explaining the range of services and benefits for which they may be eligible and for making appointments with the appropriate people for formal eligibility reviews.

In most sites in our sample, local sites have become more convenient to use—at least that was so at the time of our research in 2002. Many welfare offices have extended their hours of operation. Some offices have changed their procedures to eliminate long waiting periods and repeat visits in the welfare office by using appointments, handling certain cases more quickly (e.g., by using existing data on repeat clients stored in information systems), and moving some functions outside the offices (such as routine reporting, which is increasingly handled by phone change centers). Home visits were more widely available to applicants, such as the elderly, who had difficulty coming into the office. And in some local offices, eligibility processes (for example, Texas) relied more on electronic sources of data, such as credit reports, rather than demanding verification from the applicants themselves.

In the jurisdictions where TANF administration was privatized, integration was more difficult because federal rules require that Food Stamps and Medicaid be administered by public agencies. However, states and localities have tried to minimize the effects, for example, by assigning state or county eligibility workers to the privatized sites, as was done in local sites in Arizona and Wisconsin.

Changing "back-end" procedures

Many federal and state policymakers and advocates were concerned that families leaving cash assistance were being cut inappropriately from the Food Stamp and Medicaid programs or were failing to continue even when their income or circumstances suggested a clear need. Some speculated that welfare offices were not telling families that they remained eligible even after they ceased to receive cash aid. Recent and significant changes in the policies and practices affecting welfare leavers have improved the situation. The changes, however, were not so extensive as those made in front-end procedures, partly because the necessary staffwork made them more labor-intensive than the front-end changes.

Medicaid

The welfare reform act of 1996 allowed those leaving welfare to retain what was called "transitional" Medicaid coverage for up to two years, and imposed no income eligibility requirements for the first six months. It also provided $500 million for states to address transition problems, whether through outreach or by modifying computerized systems.

States were slow to respond to these incentives, in part because officials were preoccupied with the computer problems posed by the year 2000 (Y2K), in part because of cumbersome and outmoded computer systems. Also, Medicaid agencies were not typically involved in the early implementation of welfare reform and were often not alert to the problems of eligibility for those leaving welfare. Medicaid enrollments declined, in some states sharply, prompting a stream of federal exhortations and instructions and several lawsuits over state and local Medicaid case closures, certifications, and other procedures.

Among the states we examined, one group—Georgia, Florida, Missouri, New Jersey, Oregon, Utah, and Washington—took relatively early or aggressive action to minimize the number of welfare leavers who lost Medicaid coverage. They did so mostly through manual "workarounds" in their automated eligibility processes or by extending automatic eligibility for transitional assistance to all closing TANF cases. Georgia and Utah, for example, had such procedures in place before TANF was implemented, and did not experience significant postreform declines in enrollment.

The remaining states responded more slowly and less aggressively, and typically experienced larger declines in Medicaid enrollment. Some states, such as Colorado, Ohio, and Wisconsin, responded only after advocates drew public attention to the issue or (as in Colorado and Ohio) sued the state. Automatic extensions of benefits are still uncommon among this group of states.

Thus state efforts have varied widely in scale and timing. States have typically been more willing to make changes so that Medicaid is more accessible to current welfare leavers than to locate and reinstate those who lost coverage for which they were eligible.

Food stamps and TANF

States have generally fixed practices that caused families to lose food stamps when they left welfare, even if they were still eligible. Beyond basic repairs to eligibility procedures and information systems, however, we found few active efforts to increase enrollment in the Food Stamp Program by welfare leavers comparable to the efforts supporting Medicaid enrollment. Food Stamps, at least before the Farm Bill of 2002, which appears to have simplified some aspects of the program, is generally viewed by local administrators as a more static, rule-driven, and less salient program than Medicaid or TANF.

In those states which have paid attention to increasing Food Stamp Program enrollment, the steps taken have usually formed part of general efforts under TANF to offer extended case management to welfare leavers. In West Virginia, families who left cash assistance had at first to deal with several different eligibility workers, each responsible for a different program. A 1999 survey indicated an unexpectedly high drop-off in food stamp receipt as well as back-office problems. Participants were unclear about what to expect. In the survey, a former TANF recipient said: "After you get a job, they shouldn't take your Medicaid, food stamps, and checks, right away. [They should] let you keep them for a few months until you have some money saved up." In response to the evidence of failures in information and coordination, West Virginia in 2000 attempted to increase transitional case management by assigning TANF family support specialists to families whose cases they had managed while the family was on welfare.

However, states differ greatly in the extent of these efforts, and local offices frequently do not conduct the follow-ups they are asked to do. In most states, this "back-end" case management has been threatened by the strain on staff workloads occasioned both by state budget crises and the resurgence of cash assistance caseloads. Under these conditions, managers and frontline workers are often reluctant to spend lots of time on their "success stories," the clients who left for jobs, at the expense of the sometimes difficult cases still on assistance.

Even these states, with their somewhat tenuous extended case management, are exceptional. Most states provide little or no follow-up to people who leave TANF, and what attention there is tends to go to health benefits rather than food stamps. In part this is because the incentives within the Food Stamp Program to maintain or expand access to benefits are weak. In most of our sites, the Food Stamp agency remained focused on minimizing eligibility errors in order to avoid federal penalties under the Quality Control program. The political incentives for change are also weak: unlike Medicaid and CHIP, the Food Stamp Program tends not to develop its own strong, local political base.

Reaching working families

Reaching working poor families that have traditionally had little contact with welfare offices is a different and probably greater challenge than maintaining social services for families leaving welfare. Most states have tried to improve coverage of eligible working families under

Medicaid and CHIP, though these efforts have varied widely in scale and scope. State efforts under the Food Stamp Program have been much more limited.

Medicaid and CHIP

Under the Medicaid expansions of the early 1990s, states were required to provide health insurance to children in families with incomes under the federal poverty level and to pregnant women with incomes under 133 percent of poverty. The passage of CHIP in 1997 pushed eligibility for children even higher. Over two-thirds of the states expanded eligibility to 200 percent of poverty and a few went well beyond that level: New Jersey extended eligibility to children in families with incomes below 350 percent of poverty, or over $50,000 for a family of three. Many families at these higher income levels had little or no previous contact with the welfare system.

CHIP's enactment posed two implementation challenges. First was the challenge of enrolling individuals in an entirely new health care program, though one that could look either like something new or like traditional Medicaid. Some states chose to implement CHIP as a Medicaid expansion, some as a separate program and some used a combination of both. Whatever approach states chose, they needed to inform families that had not previously been eligible for a public program about the new benefits. This required new strategies for marketing and outreach. At the same time that states were implementing CHIP, they were also faced with the challenge of ensuring that individuals who were already eligible for regular Medicaid stayed enrolled when they lost TANF benefits. Dealing with these two tasks at the same time was quite a challenge for the states. In fact, when CHIP was first implemented, many states saw "take-up" rates (the proportion of eligibles actually enrolled) decline. Only after concentrated efforts at changing Medicaid enrollment procedures did states begin to see both Medicaid enrollment and take-up increase.

To meet the challenges of enrolling the newly and already eligible, states used three types of general strategies. These strategies include program integration, or combining application processes for the two programs; outreach and marketing of the programs; and simplification of application processes.

Program integration. Out of some 9 million children under 19 who lacked health insurance in 2001, from 50 to 80 percent met the income and asset criteria for enrollment in Medicaid or CHIP.[3] This gap between policy promise and program performance was enlarged by the ample transaction costs confronting families in signing children up and keeping them in the program. First, some children in the same family may qualify for CHIP while others are eligible for Medicaid. (In some states, Medicaid eligibility criteria are more generous for younger children than they are for older children; thus teenagers may be eligible for CHIP but not for Medicaid.) Second, as a family's economic circumstances change, children may lose eligibility for one program but gain it for another. A seamless relationship between Medicaid and CHIP, with well-integrated application procedures, can prevent children falling between the cracks of the referral process and losing their health insurance.

The 18 states we studied handled the relationship between Medicaid and CHIP in four different ways. One group—Missouri, Ohio, Tennessee, and Wisconsin—avoided the pitfalls we have noted by using CHIP funds to pursue extended coverage for children under Medicaid. The remaining 14 states established separate CHIP programs that were to varying degrees integrated with Medicaid. The three most integrated states used joint application and renewal forms and relied upon the same intake workers for both programs. Five states opted to use joint application forms and reduced transactions costs by, for example, collocating workers or relying on the electronic transmission of information between the two programs. A final group of six states made some effort to deal with the referral gap by combining some forms. However, the field reports suggest that the referral processes in these latter states were not smooth and that children had difficulties crossing the bridge between Medicaid and CHIP. In sum, barely a majority of the states arguably made significant efforts to smooth referrals between the two programs.

Program outreach was essentially unknown under Medicaid, because many states did not think it prudent to undertake activities which, if successful, would result in increased spending. But the CHIP program expressly provided funds for outreach, and all states embarked on some marketing, ranging from media ads to distributing information through community organizations and in diverse settings.

These activities can be categorized as either "passive" or "active." Passive activities, such as television advertisements, provide information about coverage, application forms, and other supporting material, but leave it to people to apply without providing any further assistance. These activities typically generate a large number of contacts at reasonable cost but may be less successful at converting contacts into successful applications. Active outreach efforts, which allow for more direct contact with individuals and provide more assistance in completing applications, are usually narrowly directed to a potentially eligible population and are carried out through contracts with local nonprofit agencies or specialized outreach workers. They are a more efficient means of getting information to people who may be out of reach of the mainstream media, though they are more expensive per contact than are passive programs.

Making application easier for working families. Traditional Medicaid application processes were widely believed to be onerous and complicated, requiring multiple face-to-face meetings in welfare offices, lengthy application forms, and stacks of supporting financial and other personal documents. Most states required reapplication every six months or whenever there was a material change in family economic circumstances.

Responding in large measure to the simplified eligibility procedures in CHIP, which required data only on family income and extended eligibility for a year at a time, many states significantly simplified Medicaid processes also. Almost all eliminated the asset test and the requirement for face-to-face meetings, and most shortened and simplified the application form, though few extended eligibility for one year.

For some time, states have been required to station Medicaid eligibility workers in hospitals and clinics that are heavily used by Medicaid participants and the uninsured, but compliance with the requirement has been quite uneven. Some states did make significant efforts to expand access outside the welfare office. But because Medicaid eligibility can only be determined by a public employee, completed applications still must be submitted to the welfare agency for a final decision.

The Food Stamp Program

Although the population eligible for food stamps, unlike the public health insurance programs, has not expanded, the program has acquired greater flexibility, so that states and localities can choose to take actions that expand participation. Food Stamp outreach activities have, however, been generally small-scale and are restricted to a smaller number of states. A comment by researchers in Arizona is fairly typical: "there is no system designed to serve, and thus attract, households not eligible for TANF assistance but eligible for food stamps"—this in a state where the number of eligible households is high and TANF cash grants (and thus coverage) are quite limited.

To the extent that food stamps have been made more accessible to working families, the changes have involved efforts to reduce the transactions costs for getting and keeping benefits that are common to all major social assistance programs. These include extended office hours and "Change Centers" or phone banks that permit families to call in changes in their circumstances rather than having to make face-to-face appointments. Less common are changes specific to the Food Stamp Program. Alone among the major programs, many states still require that households with earnings recertify their eligibility for food stamps every three months, in part because of the continued concern about the Food Stamp Quality Control program. Michigan, for example, requires frequent recertification and face-to-face interviews (as opposed to telephone interviews) for food stamps but not for other major benefits. Accessibility and convenience still tend to take second place to the emphasis on minimizing errors.

Patterns and influences

Recent changes in the implementation of Medicaid, CHIP, Food Stamps, and TANF suggest that the relationships among these programs have been modified. Cash assistance used to be the major gateway to other benefits; we now have more flexible, streamlined, and accessible human service programs in which cash assistance is just one of several entrances. We have also seen greater discrimination at the exit points, especially for Medicaid, which now appears to be substantially delinked from cash assistance. However, effort to make these programs more accessible to the large number of low-income working families who have not had recent experiences with cash assistance programs have been more limited and incremental. As we move from the poorest families to the larger populations of families with earnings, we see a more fragmented system of benefits, still dominated by separate programs.

What accounts for the changes that have occurred? Part of the story was the political and public pressure to address the rapid and somewhat unexpected declines in Food Stamp and Medicaid caseloads in the late 1990s. Improving access to health care was a high priority for the Clinton Administration, and at least through 2000, the federal government strongly and consistently pressed states to make Medicaid and CHIP more accessible and mounted high-visibility public campaigns in the case of states that proved laggard or recalcitrant. Public pressure was supported by research and service programs funded by several health-related foundations. The Robert Wood Johnson Foundation, for example, allotted about $50 million to community coalitions to develop outreach and encourage states to simplify and improve eligibility processes and computer systems.

These initiatives resonated with state coalitions of health care providers, elected officials who saw decreased health coverage as a political problem, and administrators who saw expanded medical assistance enrollments as good for their agencies. Children are a popular political constituency even in conservative states, and the availability of external financial support and the favorable publicity given to well-performing states offered encouragement. Also, the rhetoric of recent administrative reforms—"informed choice" and "customer service"—suggests a shift in the way programs for low-income families are now viewed. This emphasis on work has led to narrower interpretations of what constitutes "dependence." Now, only cash assistance is widely viewed as "dependence" and thus to be discouraged. Medical assistance and even food stamps are "work supports." TANF's caseload reduction credits and its time limits reinforce these tendencies, as many states and localities try to use all means, including entitlements, to prevent people from continuing their reliance on cash assistance for extended periods.

Many of these changes also appear to grow out of efforts to reduce transaction costs not just for clients but particularly for staff. Simplified applications, streamlined front-end processes, joint reviews, call-in centers for routine updates of client information, and automatic transitional benefits for welfare leavers—all of these changes may be viewed as ways of reducing administrative costs. Efforts to reduce the costs of delivering these complex, means-tested programs to a working population are particularly important now as local welfare offices face budget and staff cuts and in some cases rising caseloads for all three programs. By contrast, outreach programs and extended case management do not appear to reduce administrative costs and thus appear to be more vulnerable to staff reductions. This factor may also help account for the apparent discrepancy between our findings of greater streamlining and consolidation of major benefit processes and Mark Ragan's findings that many localities have not yet integrated important services. Service integration—with its greater reliance on assessments and use of a substantial range of individualized treatments—may make for greater effectiveness but is often labor intensive and unlikely to save any administrative resources.

These many efforts and pressures to simplify administrative processes and expand health coverage also suggest what is missing in the development of broader human service systems for low-income working families. States and localities have acted where they faced strong political pressures or concrete and measurable problems. But there are, so far, few instances of locally measured and watched "problems" that cut across program areas. If local human service systems are to be reengineered to serve a wider population of working families, two things seem critical: recurrent measures of the nature and scope of problems affecting this population, and strong political and administrative incentives, beyond the area of medical assistance, to monitor and remedy such problems. ■

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[1]C. Burke and C. Abbey "Medicaid Enrollment Trends, 1995–2000" (Managing Medicaid Take-Up series, Rockefeller Institute of Government, Albany, 2002); United States Department of Agriculture, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, "Characteristics of Food Stamp Households: Fiscal Year 2001 (Advance Report)," July 2002.

[2]These field studies constitute part of the State Capacity Study conducted by the Nelson A. Rockefeller Institute of Government, Albany, NY. A list of the scholars involved is available from the Rockefeller Institute. Reports from this study are posted on the Institute's World Wide Web site, <http://www.rockinst.org/publications/welfare_and_jobs.html>.

[3]G. Kenney, J. Haley, and L. Dubay, *How Familiar Are Low-Income Parents with Medicaid and SCHIP?* New Federalism: National Survey of America's Families, No. B-34, Urban Institute, Washington, DC, May 2001.

The service integration agenda: Political, conceptual, and methodological challenges

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Should critical decisions about the character and management of welfare programs be vested in the federal government or in state and local governments? Does the federal role in the protection of vulnerable populations trump state and local prerogatives, or should policymaking power be vested in those jurisdictions in which the disadvantaged reside? In 2002, policy debates over these central issues of state-federal relations once again flared into life.

This time around, the long-standing debate about the locus of program authority is commingled with an equally contentious dispute about the structure of the social safety net in the United States. Should the federal preference for narrowly targeted programs organized around specific service technologies, problem areas, or target populations determine how services are structured and financed? Or should social assistance and opportunities be organized through more integrated, locally shaped systems of social assistance in which community circumstances and individual needs play larger roles?

The heat generated by the most recent debate on these issues was fanned by the Bush administration's inclusion of a so-called *superwaiver* provision in its proposal to reauthorize Temporary Assistance for Needy Families (TANF)—the primary federal cash assistance program for impoverished children. In the past, the federal government has permitted states to waive federal regulations governing specific social assistance programs in the interest of reform and experimentation with better ways of delivering social services. The proposed superwaiver provision would create a broader and more ambitious waiver authority, permitting states to develop and implement new policy and program concepts across existing federal program lines, including but not limited to TANF, workforce policies, food stamps, child welfare, housing, child care, and child support.

The tensions at the heart of the debate are not new. The extraordinary proliferation of federal social services programs, especially since the 1960s, very early evoked repeated calls for rationalization and consolidation. Movement in this direction has, however, been glacial at best. For example, in the mid-1970s, Lawrence Friedman noted that "the basic purpose of the Economic Opportunity Act was 'coordination' of old and new poverty efforts." [1] Some two decades later, a study by the National Commission on Employment Policy concluded:

> Coordination was *the* issue of American social policy in 1991. National commissions identified the proliferation of uncoordinated programs as the source of severe problems affecting the well-being of children, infant mortality, and the delivery of public assistance and job training services.[2]

In 2003, a study prepared for the Rockefeller Institute of Government by Mark Ragan suggests the problem is unresolved:

> The desire to simplify and streamline client processes—often called "service integration"—is frequently cited as *the* solution to the often confusing, sometimes redundant, and generally uncoordinated mix of programs that exist at the local level throughout the United States.[3]

When the debate about "service integration" has been defined in terms of enhancing local authority to waive federal regulations, it has often become acrimonious and confused.[4] For one thing, neither the principles at issue nor the goals of service integration have been clearly articulated. Is the issue state flexibility and autonomy per se? If so, simply accelerating the devolution of policy control to state and local jurisdictions might suffice. Is the purpose of service integration more aptly defined as affording local agencies more opportunities to exercise ingenuity and imagination? In this instance, the solution may lie in reform of the way social welfare programs are regulated and financed at the national level. Or is the real purpose to improve the quality of social services through collaboration and consolidation? Then, the solution may lie in developing state and local capacities to innovate with imagination.

Finally, real or imagined motivations may influence the debate. For some, the discussion of systems integration may be tactical in nature, reflecting a desire merely to shift responsibility over unpopular programs to the states, to save money through management efficiencies, or even to serve as a way to unravel important protections in the existing social safety net. For others, an interest in service integration reflects a desire to exploit a set of strategic opportunities to embody their vision of the next generation of reform.

What is driving interest in human services integration this time around?

Arguably, the resurgence of interest in service integration is an outcome of the direction taken by welfare reform. In many jurisdictions, the policy changes of the 1990s shifted the core functions of welfare from providing income support to transforming individual behaviors and improving family functioning. The shift is reflected in welfare spending trends. In the later 1990s, for example, the proportion of TANF dollars spent on traditional income support fell from 72 percent of all expenditures to 30 percent in several Midwest states. At the same time, the proportion spent on family programs tripled.[5]

These shifts invoke a "technological imperative," in which the types of services needed to achieve evolving program purposes reshape the institutional arrangements through which social assistance is delivered. Although policy may dictate the central goals of a program, the service technology necessary to implement those goals dictates where and how day-to-day decisions are made. Programs that focus on behavioral change require an institutional support system different from that required by income transfer programs. Income support programs necessarily emphasize regulatory and procedural uniformity, but human services cannot be definitively prescribed and uniformly implemented for all clients. They place a premium upon flexibility, initiative, and the expertise of social work and other human service professionals.

The structural implications of the welfare reforms have been well summarized by the members of the Midwest Welfare Peer Assistance Network (WELPAN), a group of senior welfare officials that has been deliberating the character of welfare reform since 1996:

> The organizational forms in which the workers function are transformed, becoming flatter and less hierarchical. Horizontal communications replace vertical patterns. Agency boundaries become porous as inter-agency agreements and one-stop agency models emerge. Entrepreneurship and outcome-oriented institutional philosophies begin to supplant risk-aversive public monopolies. Discretion at the operational level is replacing traditional command-and-control organizational strategies. Malleable and plastic organizational forms that can respond to new challenges are supplanting traditional welfare organizational forms.[6]

If the service technology of a system informs where key policy and management decisions are best located, then the impetus of the reforms also changes the character of the federalism, or devolution, debate. As the WELPAN members noted, "Under contemporary reform, real decision-making has moved closer to where families and agencies intersect." But this change in turn has placed serious strains upon agency capacities and prompted further rethinking:

> [T]he contradictions and redundancies among programs are more apparent, and so is the need to integrate categorical programs into a coherent and comprehensible network that might make sense to consumers and service providers alike. Not surprisingly, we have an explosion of experimentation in one-stop centers, complex community networking, radical secondary devolution, and even virtual agencies.[7]

As history suggests, action does not inexorably follow even when a policy issue is clearly acknowledged. In the remainder of this article, we briefly explore some challenges to the integration agenda: (1) those embedded in the political debate; (2) confusion concerning how to think about service integration; (3) program accountability under conditions where services are integrated and program control devolved to state and local levels; and (4) developing a methodology for proving the effectiveness of integrated service models.

The political challenge: Contours of the current debate

Deeply entrenched ideological positions are difficult to shift—a particular dilemma in the superwaiver, or state-flexibility, debate. Proponents of enhanced waiver authority see opposition as a self-serving defense of established constituencies and programs. Opponents believe that enhanced waiver authority and state flexibility are code words for undermining the national social safety net.

For proponents of state flexibility, continuing progress in welfare reform demands more front-line innovation and control. States certainly need to take better advantage of existing flexibility in federal law, but they also require additional flexibility to design and implement initiatives that transform the way business is done.

Opponents of state flexibility argue that states have not always exercised prudent stewardship of the flexibility they already have. If given more authority, some states might well pursue strategies and policies of questionable benefit to vulnerable families and children. They also contend that federal law should provide stronger protections for families and children, suggesting that targeting of programs is often desirable to ensure that more disadvantaged groups have access to essential public goods and services. Some opponents argue that, notwithstanding the positive outcomes associated with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) that established TANF, too many states have failed to fully assert the increased state authority given them in existing federal law. Thus several proposed TANF reauthorization bills contain federal prescriptions to steer states in a given direction.

Service integration also evokes conflict: How do we encourage states and localities to experiment with integrated service systems while ensuring that the most disadvantaged families are adequately served, and not "overlooked" in systems designed to serve broader populations? This first perplexity raises important questions about how equitable treatment is defined—is it when all who are similarly situated are treated similarly, or when services reflect individual and geographic differences? If we choose the latter, attention shifts from agency processes to the outcomes for families and individuals. However, people may legitimately disagree about a program that on average improves family outcomes but leaves a minority of families is worse off.

A second perplexity arises because PRWORA dramatically changed cash welfare programs while maintaining the statutory and regulatory structure of other programs important to low-income families such as the food stamp, housing, and workforce programs. In so doing, it respected the different rationales for these programs, but created a source of continuing tension among the institutional cultures within which the programs operate. For instance, the management of TANF prizes problem solving and the exercise of discretion in meeting program objectives, whereas the Food Stamp Program rewards the routinized application of formal rules.[8]

A third perplexity is how to satisfy the legitimate fiscal interests of federal, state, and local governments in ensuring that funds are properly deployed to address policy objectives. For example, apparently neutral accounting and allocation rules may be complex or vague enough to create uncertainty and cause program managers to steer away from innovation while looking over their shoulders for the auditors.

Many state and local officials have nevertheless argued very persuasively that the future of reform depends upon developing a federal-state relationship that encourages innovation across traditional program lines and service technologies. Once talk turns to changing fundamental behaviors, it makes less and less sense to continue to provide services to narrowly targeted populations through segregated funding and regulatory mechanisms.

If we step aside from the clamor of debate, we find a number of communities, generally counties, that have introduced innovative and exciting integrated service models, as is suggested in the article in this *Focus* by Mark Ragan. This suggests that the questions at issue may not be entirely normative or political in nature, and not primarily about whether greater state flexibility is necessary before states can act. But the diffusion of these models has not been widespread, suggesting that serious impediments to integration remain.

The conceptual and definitional challenge in human services integration

How should we think about "service integration"? Drawing on extensive field work, Mark Ragan concluded:

> There is no single answer. Based on observations at the sites visited for this study, service integration is a *combination* of strategies that simplifies and facilitates clients' access to benefits and services. Each site has implemented a distinctive mix of strategies, processes, and partner agencies.[9]

This is immediately problematic—how can we advance a policy agenda without a clear concept of what is being done? In search of a solution, we consider three frameworks for thinking about integrated systems.

In a report prepared for the Finance Project, Margaret Flynn and Cheryl Hayes suggest that fully integrated systems ingeniously blend diverse funding streams to make it easier to merge staff, regulations and eligibility requirements, program protocols, and procedures. That is, the creative use of financial resources is central to transforming service delivery. The authors noted three strategies for accomplishing what they term "blending" and "braiding" funding streams: (1) *coordination*—separate, categorical funding streams are braided or wrapped together to support seamless service delivery; (2) *pooling*—separate funding streams are pooled to create one pot from which integrated service systems can be supported; and (3) *decategorization*—funding streams are made less categorical by removing, reducing, or aligning requirements and regulations to allow funds from more than one program to be merged into a unified funding stream.[10]

A second conceptual approach to service integration has been developed in El Paso County, Colorado, which has implemented a much-discussed model of social service reform. In this model, integration takes place along a continuum from better interagency communication to outright consolidation of staff, budgets, and operations (text box 1). A critical attribute of this framework is its flexibility—the state or county may, for example, choose to collocate different agencies and programs to create a one-stop shopping center for human services, without necessarily advancing further along the continuum.

The El Paso County scheme focuses on the character and quality of the relationships among participating agencies and programs. Movement toward greater integration makes blended funding increasingly important and also places greater demands on policymakers and program managers. To achieve full consolidation, all aspects of program design and management must be addressed, creating demands far exceeding the requirements for collocating related services.

1. A Service Delivery Continuum

Communication—Clear, consistent and nonjudgmental discussions; giving or exchanging information in order to maintain meaningful relationships. Individual programs or causes are totally separate.

Cooperation—Assisting each other with respective activities, giving general support, information, and/or endorsement for each other's programs, services, or objectives.

Coordination—Joint activities and communications are more intensive and far-reaching. Agencies or individuals engage in joint planning and synchronization of schedules, activities, goals, objectives, and events.

Collaboration—Agencies, individuals, or groups willingly relinquish some of their autonomy in the interest of mutual gains or outcomes. True collaboration involves actual changes in agency, group, or individual behavior to support collective goals or ideals.

Convergence—Relationships evolve from collaboration to actual restructuring of services, programs, memberships, budgets, missions, objectives, and staff.

Consolidation—Agency, group, or individual behavior, operations, policies, budgets, staff, and power are united and harmonized. Individual autonomy or gains have been fully relinquished, common outcomes and identity adopted.

A modified version of the service delivery continuum developed by an El Paso County, Colorado, community committee.

Our third conceptual framework directly addresses policymaking and program management in systems that claim to be integrated. This framework was developed by members of WELPAN (text box 2).[11]

Within this framework, the creation of an integrated service model demands that all dimensions of our human services systems be transformed: the *mission* or purpose of the system, how the parts of the system relate to one another both physically (collocation) and structurally (e.g., service teams with common caseloads), whether key decisions are made collegially and inclusively, what kind of workers are recruited and how they are trained and rewarded (e.g., risk-takers and problem solvers rather than rule followers), and movement toward performance-based management that, in effect, replaces a focus on measuring inputs with a focus on assessing results.

The fundamental insight embodied in the WELPAN framework is that real service integration means addressing all of the domains in text box 2, requiring a radically new approach to designing and managing social programs. This may help explain why there has been such limited diffusion of existing models.

The frameworks we have discussed create the instruments for an integrated system but are still one step removed from what is really critical—how the experiences of the intended target population are transformed. We suggest that any consensus definition of service integration eventually will focus on the interaction between intended beneficiaries and the new service delivery environment. As a starting point, we might profitably consider the following as attributes of a fully integrated system.

> *Families would have access to a broader range of services and assistance than are available under existing service delivery methods.*
>
> *Families would have access to individualized service plans that accommodate the circumstances that have brought them to seek help.*
>
> *Service plans would be able to accommodate multiple issues simultaneously.*
>
> *Service plans would respond to changing circumstances and could be modified as progress is made or new issues arise.*
>
> *Families would at least have the potential of engaging the system at different levels of intensity, from self-initiated and directed forms of help to intensive interactions with multiple programs.*
>
> *The focus of both the clients and the system would be on achieving individual and family goals rather than participating in a particular program.*
>
> *The community would see the system as a strategy for resolving individual, family, and community challenges rather than as an agency where specific programs are located.*

A better and more universally accepted understanding of service integration remains one key to advancing this agenda. A second important challenge is how to maintain accountability when delivery systems increase in complexity.

The accountability challenge, or keeping track of things

Integrated service models work differently from conventional social assistance models. The latter provide specific services—such as child care, food stamps, cash income transfers—to a defined pool of eligible families denoted by their relationship to a standard of need and

2. Dimensions of System Change

Mission—how an agency or system of interrelated programs conceptualizes and communicates its purpose.

Milieu—how such a system configures its physical and social environment, how it looks to clients.

Management—how management decisions are made, communicated, and enforced throughout the system.

Manpower—how personnel are selected, trained, organized and rewarded.

Movement—how seamlessly clients move through an interrelated system and what they actually experience.

Measurement—how system's success is defined and measured, and how internal behaviors are rewarded.

Morphing—how systems relate to their external environment and how they adapt and change over time.

The New Face of Welfare: Perspectives of the WELPAN Network, Institute for Research on Poverty, Madison, WI (2000).

perhaps a few other variables. It is easy to understand these programs by examining inputs, such as how many families received the intended benefit. Efforts to hold these programs accountable seldom get beyond crude measures of decision-making accuracy, target efficiency, or population saturation.

Integrated service models shift management attention in two new directions. First, they typically attempt to reach a broader target population than those reached by conventional programs. The more ambitious efforts reach out to the low-income community or all job seekers, irrespective of their economic situation. Second, they typically push managers away from a focus on inputs and toward outputs.[12] In part, this shift takes place because inputs become harder to define and measure. An axiom often heard from staff members in some of the more ambitious integrated service models is that "we do what it takes" to respond to the difficulties facing at least some of their client families. In such programs, service plans are individualized, with services provided by teams of professionals coordinated by a case manager who can draw on several areas of expertise. There are no set protocols through which the client's experience with the system is pretty much determined at the outset.

In short, integrated services are characterized by transparent program boundaries, diffuse target populations, and idiosyncratic service protocols. In these integrated systems, the traditional reliance on assessing how well program participants are doing may prove inadequate. For one thing, it may be difficult to identify who is a participant in some of the more ambitious undertakings. Some families may make self-directed use of systems resources, others receive only one-time help (sometimes referred to as a "light touch"), and yet others require intensive and extended interactions with many professionals and programs. For another, these comprehensive systems of reform may alter the signals being disseminated to the broader local community. For example, new signals about appropriate sexual behavior may benefit local youth in general, not just those who actually participate in a given program.

Old service delivery systems could employ individual program data to ensure accountability. How many families received a check? Were the benefits issued in accordance with the rules? How many adults were working, or received training, or obtained the necessary child care? These discrete counting mechanisms seem inadequate to the task of understanding what is happening in the very complex systems that might be constructed if local jurisdictions pursued service integration vigilantly.

In the new integrated systems, individual program data would not suffice. Managers would probably need population data, since integrated systems might well touch families who are not officially recorded as "cases." Consequently, accountability can probably be better assured by using social indicators to capture the circumstances and well-being of populations of interest. One of the great advantages of social indicators over other research approaches, regardless of the particular purpose for which they are used, is that they can become available quickly for use in informing and improving public policy. For example, recent social indicators showing a decline in the rate of births outside of marriage might be seen as a harbinger of greater family stability, more two-parent families, and better outcomes for children a decade later. Policymakers concerned with promoting and encouraging marriage need to have this type of information, and the sooner, the better.

In a recent report, analysts working for Child Trends noted that social indicators can be employed at several levels of accountability:

> At the *descriptive* level, they inform citizens and policymakers about the circumstances of their society, track trends and patterns, and identify weak points as well as positive outcomes. At the *monitoring* level, indicators track outcomes that are deemed more likely to require policy intervention of some kind. School systems, for example, often use indicators to monitor how well children are doing on standardized tests, often targeting those schools with low scores for special interventions. At the *accountability* level, policy officials not only moni-

tor but establish quantifiable thresholds to be met within a specific time period.[13]

However, the challenge is that we cannot currently realize the potential of using social indicators to ensure accountability because local population data are not available in anything approaching real time. Therefore, we will need to devote much more attention and resources to shoring up our data infrastructure if we are to enable communities to embrace service integration while ensuring accountability. Local managers will, for example, need a larger and less arbitrary view of performance: apparent success in one area might result from the rearrangement of clients rather than from real advances. Increased work participation rates under TANF, for example, might be due more to the absorption of multiple-barrier families into SSI than to their more effective engagement in TANF.

Ideally, reporting systems should allow local officials to expand the scope of families "seen" by administrators and policymakers, help managers discern problems that cut across multiple programs and examine their incidence, and give states and localities flexibility in selecting the criteria they consider to be most important. The data should be timely, for use in planning, and should be disaggregated down to localities that have significant management and policymaking roles, such as counties.

The effectiveness challenge: Are integrated systems worth the trouble?

Despite the increasing interest in integrated services among practitioners, policymakers, and researchers, no solid evidence exists about the actual effects of such initiatives on the populations served. Interest appears driven by the inherent plausibility of the hypothesis that such models deliver more comprehensive and effective assistance, particularly to families facing multiple challenges. To date, there is no scientific basis for this hypothesis.[14]

The effectiveness of a program can, broadly speaking, be determined by rigorous estimates of its average net effects on an array of significant outcomes among the target population of interest. It is hard to envision how one might operate an experiment involving parallel systems—an integrated service model for experimentals and a counterfactual world where controls would be exposed to the "old" service world of separate programs operating in distinct silos.

There are other difficulties in measuring the effects of integrated programs. For example, specifying the target population and clearly identifying what forms of assistance participants actually receive (i.e., defining the intervention) are not straightforward. Because integrated service models often attempt to respond to multiple client and community needs, it can be difficult to select outcomes by which the effects, if any, might reasonably be attributed to the services delivered. Finally, as noted earlier, the measurement of management changes and client outcomes is limited by the current primitive state of most information technology systems, which, particularly at the local level, tend to be focused on single programs.

Rigorous protocols for assessing the effects of service integration first require clarity about the character of an intervention. Because the structure of service integration initiatives varies with their objectives (e.g., to support working families; to prepare vulnerable individuals for work; to remedy and/or alleviate severe disabilities such as depression, substance abuse, or mental retardation), it is necessary to arrive at a clear consensus about the purposes and structure of the model. At that point, several measurement issues come into play:

1. *The population*. How do we define the population of interest when traditional client groupings are merged, when those who determine eligibility and route clients to the appropriate service (the "gatekeepers") do not necessarily have professional knowledge and training, and when the policy intent is to minimize distinctions within the program and the target population? Often we struggle between competing desires: to move away from the conventional strategy of targeting benefits and services to those in need while simultaneously worrying whether certain vulnerable groups will then be underserved. To resolve this difficulty, we may want to differentially sample several populations of interest.

2. *The service technology*. What, exactly, are we evaluating? How do we define and classify the intervention or interventions when services might be very specifically tailored to the circumstances of a particular family?

3. *Program boundaries*. Integrated systems are designed to blur the boundaries among participating agencies and professional personnel. If evaluators are unable otherwise to specify the nature of the intervention, they might reasonably define participation in a program or programs as the "intervention." However, comprehensive service strategies, as we have noted earlier, often permit various forms of "engagement" with the system.

4. *Confusion about outcomes*. In an environment of multiple programs, diverse professional involvement, and individualized treatment modalities, it may be hard to reach consensus on outcomes. If evaluators and policymakers cannot agree on measures of success, assessing effects is impossible.

Finally, we face the fundamental difficulty: a true impact assessment should establish causality. But the complexity of integrated services makes them challenging objects of inquiry. Is it possible to measure any changes in client outcomes that can reasonably be attributed to the experiences of those exposed to an integrated service model?

How can we determine causality if classic random-assignment experimental evaluations of these systems prove impracticable or politically insupportable? Are these models so idiosyncratic and unique that we cannot generalize about effectiveness? These are merely illustrations of issues that must be resolved, not insurmountable barriers to assessing effectiveness.

Moving ahead: How can innovative governance be supported?

The logic underlying the movement toward innovative service integration models is not to put new interventions in place once and for all. Programs that aim to change the behavior and improve the well-being of families under a variety of economic, political, and institutional conditions quite reasonably require different responses for different circumstances and times, and an ability to adapt to change.

Thus we do not believe that we will advance the service integration agenda very far through the diffusion of "model" laws or even "best" administrative practices. Rather, we need to build and maintain a capacity for innovative governance that encourages and supports local entrepreneurship. It is not at all clear that local jurisdictions have widely achieved this level of capability, though much very innovative thinking about new forms of social assistance occurs outside of Washington, DC, as the article by Mark Ragan in this *Focus* suggests. Local jurisdictions need to improve the recruitment, retention, and training of skilled local managers and staff; create stronger and more supportive relationships between local institutions and central state agencies; increase flexibility and open up program "stovepipes"; and create local opportunities for citizen participation and influence.

But there are also steps that the national community can take (one such project is now under way—see the box on p. 57). First, we clearly need a better way of conceptualizing and defining integrated service models. This task might be pursued by continuing to examine local sites where real innovation has taken place for the insights and lessons they offer. Second, we need to learn far more about what it takes to innovate, including the preconditions for risk-taking and change. Some local sites have been quite innovative, but their small numbers raise the question of what attributes or circumstances made them special in the first instance. Third, we need to invest considerable resources and attention into the nation's data infrastructure, lest the interest in performance-based governance systems, a key element in maintaining accountability in integrated service models, is thwarted by data limitations. Finally, the evaluation community must seek to resolve the difficulties in assessing the effects of these integrated models. Absent rigorous proof of effectiveness, it is hard to argue persuasively that fundamental reform is worth the pain. ■

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[1]L. Friedman, "The Social and Political Context of the War on Poverty: An Overview," in *A Decade of Federal Antipoverty Programs: Achievements, Failures, and Lessons*, ed. R. Haveman (New York: Academic Press, 1977), p. 39.

[2]E. Jennings, Jr., and N. Zank, eds., *Welfare System Reform: Coordinating Federal, State, and Local Public Assistance Programs* (Westport, CT: Greenwood Press, 1993), p. 1.

[3]M. Ragan, *Building Comprehensive Human Service Systems—Service Integration in the United States,* Rockefeller Institute of Government, Albany, NY, February 2003, p. 3.

[4]The authors typically use the term "cross-systems innovation" to label efforts to integrate separate programs into a more coherent system of services. However, the term "service integration" is more widely used and is employed in this article.

[5]This shift in the implicit purpose of TANF in the upper Midwest was discussed in T. Corbett, "The New Face of Welfare: From Income Transfers to Social Assistance," *Focus* 22, no. 11 (special issue 2002): 3–10. As another indication of the change, federal dollars available to support "working" low-income families increased from $11 billion in 1988 to $66.7 billion in 1999. R. Blank, "Evaluating Welfare Reform in the United States," *Journal of Economic Literature 50* (December 2002), p. 1108.

[6]*The New Face of Welfare: Perspectives of the WELPAN Network*, a report of the Midwest Welfare Peer Assistance Network, Institute for Research on Poverty, University of Wisconsin-Madison, 2000, pp. 1–4. WELPAN members are senior welfare officials from the following states—Illinois, Indiana, Iowa, Ohio, Michigan, Minnesota, and Wisconsin.

[7]*Eliminating the Silos: Or, It's Not Just Welfare Anymore*, a report of the Midwest Welfare Peer Assistance Network, Institute for Research on Poverty, University of Wisconsin–Madison, 2002, pp. 2–3.

[8]*Aligning TANF & Food Stamps: A Clash of Program Cultures*, a report of the Midwest Welfare Peer Assistance Network, Institute for Research on Poverty, University of Wisconsin–Madison, 1999.

[9]Ragan, *Building Comprehensive Human Service Systems,* p. 3. Both Mark Ragan and Thomas Corbett independently spent time in several sites, including Kenosha and Racine, Wisconsin, El Paso County, Colorado, Montgomery County, Ohio, and Anoka County, Minnesota.

[10]M. Flynn and C. Hayes, *Blending and Braiding Funds to Support Early Care and Education Initiatives,* The Finance Project, Washington, DC, 2003.

[11]*The New Face of Welfare.*

[12]*Input data* might be the number of hours a teacher teaches or the number of hours of psychotherapy a patient receives. *Output data* would show whether the teacher's students improved their grades or whether the mental health of a patient who saw a psychotherapist improved.

[13]See K. Moore and B. Brown, with help from H. Scarupa, *The Uses (and Misuses) of Social Indicators: Implications for Public Policy*, Research Brief 2003-01, Child Trends, Washington DC, Feb. 2003, pp. 2–4.

[14]The Institute for Research on Poverty and the Research Forum for Children, Families, and the New Federalism facilitated a meeting in Washington, DC, on May 7, 2003, where this theme was explored.

Enhancing the Capacity for Cross-Systems Innovation: Overview of a Project

In 2002, several organizations began a dialogue about how policy devolution and systems integration might affect the quality and accessibility of services for low-income families. Over time, a limited discussion about the superwaiver proposal in the Bush administration's TANF reauthorization package shifted to a discussion about the broader issue of the willingness and capacity of local jurisdictions to introduce integrated service delivery systems that cross traditional federal program boundaries (see the article in this *Focus* by Corbett and Noyes). Eventually, the dialogue generated a project proposal, *Enhancing the Capacity for Cross-Systems Innovation,* coauthored by Thomas Corbett (Institute for Research on Poverty), Susan Golonka and Courtney Smith (National Governors Association [NGA] Center for Best Practices), and Jennifer Noyes (Hudson Institute's Welfare Policy Center). In summary, the goals of this project are:

1. To determine how much flexibility to create integrated service delivery systems already exists within current law and practice, what barriers (intended and unintended) there are to the use of such opportunities, and why states might not be exercising the flexibility that already exists.
2. To stimulate thinking about the opportunities for innovation and entrepreneurship in blending services, either under current conditions or under conditions of enhanced state flexibility.
3. To work with interested state and local officials to increase their capacity to design and implement innovations under existing legislative and regulatory parameters.
4. To develop and use outcome measures/social indicators to ensure accountability in integrated programs and to monitor the well-being of target populations, and to develop appropriate methods for rigorously assessing the effects of integrated service models.

The proposal outlines five major initiatives (each a separate "module") for achieving these goals:

Module 1—to determine the extent to which current law and regulation permits local flexibility and to identify where additional state flexibility would be beneficial. *Work on this module has started under the leadership of the NGA's Center for Best Practices and the Hudson Institute's Welfare Policy Center, with support from the Annie E. Casey Foundation. Additional technical expertise is being provided by the Center for Law and Social Policy and the Center for Budget and Policy Priorities.*

Modules 2 and 3—to develop a better understanding of how, in practice, state and local officials have used existing flexibility in putting together cross-systems innovations. Modules 2 and 3 share common objectives: to develop insights and strategies that local and state jurisdictions might use to advance service integration and to share those insights and strategies more broadly. The practice module (Module 2) focuses on two areas: the character of interactions among officials and with key stakeholders within a given state, and the interaction between state and federal officials. The operational module (Module 3) aims to identify those strategies used to overcome real or perceived impediments to the exercise of state flexibility, or how successful state and local initiatives actually integrate services and systems under current law and statute. *Work on these modules is beginning under the leadership of IRP and the Hudson Institute's Welfare Policy Center, with initial support from the Joyce Foundation.*

Modules 4 and 5—to examine and resolve the conceptual and methodological challenges associated with program accountability, population monitoring, and estimating the effects of integrated service models. *Work on Module 5 has begun under the guidance of IRP and the Research Forum on Children, Families, and the New Federalism, with initial support from IRP, the Annie E. Casey Foundation, and the Joyce Foundation. The Rockefeller Institute of Government, Albany, NY, has expressed interest in taking a leadership role on Module 4.*

Building comprehensive human service systems

Mark Ragan

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In most of the United States, the social welfare safety net is a patchwork of separate programs, each with its own goals, rules, bureaucracies, funding mechanisms, and service delivery processes. A typical local "system" might include income supports such as Temporary Assistance for Needy Families (TANF), Food Stamps, and Medicaid at a local office of the state department of human services; separate child support enforcement and child welfare and protective services administered by the county in other offices; a "one-stop" employment service, with job training, displaced worker, and state employment services in a fourth location; and mental health counseling and drug and alcohol programs, often provided by nonprofit organizations, at yet other sites. Housing assistance, child care resource and referral, and basic health services might be located elsewhere again. This is not a system at all; it is a mix of programs and services, many serving the same populations, but with little direct interaction, sharing of information, or coordination. Historically, each program has been funded and operated, as it were, in its own particular "silo" or "stovepipe." This is not hard to understand. Human service programs have been mostly designed piecemeal, at different times, with different funding mechanisms, and are administered by different levels of government as well as by private organizations.

For many years, human service program administrators have expressed a strong interest in developing better-coordinated service delivery systems to meet the needs of poor families. Welfare reform legislation in 1996 provided compelling reasons to pursue this ambition by requiring that families become self-sufficient through employment. At the same time, the legislation, by devolving policy responsibility to states and permitting more flexible use of federal funding, encouraged innovation in organizations and services (see the accompanying article in this *Focus* by Corbett and Noyes).

To succeed in the labor market, many families need multiple benefits and services—child care, job training, counseling, health services. Simplifying and streamlining these services, often called "service integration," seems, to many in the field, to be the obvious solution. Managers and political leaders have turned to service integration as a remedy for confusing, redundant, and sometimes contradictory systems in which failure to connect a family or individual with one critical service can cause all the other programs with which that person interacts to fail.

Service integration is, however, not a simple fix. It is a combination of strategies with a simple purpose: to improve family outcomes by providing more effective and efficient services. Its appeal seems to be intuitive. When local managers are asked why they undertook the involved and time-consuming process of building comprehensive systems, they did not point to extensive studies with documented evidence that service integration provides positive results. Their answer was, almost universally, "It just makes sense." Service integration, said one manager, "is about getting just the right services to clients at exactly the right time."

What progress has been made in developing coherent local systems? What does service integration look like in the real world? What factors have contributed to success—or been implicated in failure? Do the experiences of local practitioners provide useful models? In 2002, the Nelson A. Rockefeller Institute of Government conducted field research in an attempt to answer these practical questions.[1] To enable at least limited comparisons between sites, we focused on integration of income support programs (the federally supported and state-administered TANF, Medicaid, and Food Stamp programs), with programs in related domains, such as employment and training programs and child welfare programs. The most advanced examples include all three program areas, and other programs as well.

Over 200 managers, staff, and political leaders were interviewed at more than 60 sites in 12 states, mostly in county offices, but also in some state capitals.[2] Study sites are listed in Table 1. Efforts to reform the delivery of human services took many forms and involved different mixes of programs at each site. In some cases, states administer the core programs; in others, including California and New York, counties are responsible. Target populations differ also. In Fairfax County, Virginia, major initiatives were directed toward the elderly, at-risk youth, and health services. Many sites—for example, Montgomery County, Ohio—focused on families about to run up against TANF time limits.

How did we determine the extent of service integration? We relied, in part, upon the methodology developed in El Paso County, Colorado (see this *Focus*, p. 53), which envisages a continuum of service delivery ranging from

Table 1
Study Sites, in Chronological Order

State	Offices Visited (Date)
Oregon	State offices in Salem; local offices in Coos and Jackson counties (December 2001)
New Jersey	State offices in Trenton; local offices in Atlantic and Ocean counties (January 2002)
Georgia	Local offices in Bibb County (February 2002)
Pennsylvania	Local offices in Allegheny County (February 2002)
Virginia	Local offices in Fairfax County (March 2002)
Nebraska	State offices in Lincoln; local offices in Lincoln, Gage, and Seward counties (April 2002)
Colorado	Local offices in Mesa and El Paso counties (April 2002)
California	Local offices in San Mateo County (May 2002)
Ohio	Local offices in Montgomery County (June 2002)
Wisconsin	Local offices in Racine and Kenosha Counties (July 2002)
Minnesota	Local offices in Anoka and Dakota Counties (July 2002)
Kentucky	State offices in Frankfort; local offices in Jefferson County (September 2002)

better communication among agencies to actual consolidation of agencies. By this logic, systems that exhibit collaboration and consolidation are more integrated than those that involve only some measure of communication and coordination. The more advanced examples of service integration in this study tended to be county-administered systems; even in state-administered systems, the impetus for most reform activity was local (for example, Jackson and Coos counties in Oregon). Our focus on counties thus emerged from the local emphasis of most system building. Local demographics, the needs of client populations, the makeup of local government, local resources and politics, and the skills and relationships of local managers all influenced the service delivery configurations that developed.

Perhaps the most advanced example was the Human Services Agency of San Mateo County, California, where a wide range of programs is combined into a single administrative unit. Income support, employment and training, youth and family services, housing, vocational rehabilitation, and alcohol and drug services are the responsibility of a single director of human services. Families have access to a broad range of programs in one-stop offices located throughout the county. The county has a common intake process in which staff trained in multiple programs use a comprehensive screening and assessment tool to determine family needs and a common case management and tracking system accessible to all staff, including private service providers. Multidisciplinary teams that include county staff and private service providers meet weekly to review cases and recommend appropriate services and benefits.

The various strategies for bridging gaps between programs can be classified as either *administrative* or *operational*. Administrative strategies are behind-the-scenes changes that make it possible to improve services to participants. Examples include reorganizing agencies to consolidate programs and functions; increasing the number and types of service providers; integrating data in shared management information systems; and blending funding streams. Operational changes, perhaps more obvious because they more directly affect frontline processes, include collocating staff from multiple programs and organizations; developing common intake, assessment, and case management procedures; consolidating multiple program functions in a single position; and incorporating staff from multiple agencies into work teams. In the remainder of this article, I illustrate the primary strategies being employed by agencies seeking to integrate services.

Administrative strategies

Consolidating governance structures

Efforts to simplify service delivery sometimes began with consolidation of state or local offices. In Ohio, the state's Labor and Human Services departments were merged to create the Ohio Department of Jobs and Family Services. In Nebraska, the legislature created a new Health and Human Services System by merging the former departments of Aging, Health, Public Institutions, and Social Services and the Office of Juvenile Services. The most comprehensive examples of service integration occurred where the county agency administered both income support programs and the local one-stop employment and job training center established by the Workforce Investment Act (WIA)—for example, San Mateo County in California, Racine and Kenosha counties in Wisconsin, and Mesa County in Colorado.

In Mesa County, for example, the Workforce Center receptionist first determines whether individuals wish only employment services. Those who need other kinds of help participate in workshops and interviews that, while clearly focused on employment, also seek to determine other needed services—for example, child support or income support. During the next few days, the Center determines participants' eligibility for TANF and other programs, and they are scheduled for a three-day class that emphasizes their strengths in the development of Individual Responsibility Plans.

Collaborative local planning, management, and oversight

In these sites, a board or committee of community leaders and local program managers plans, sets goals, and develops strategies to meet local needs. These boards meet regularly, and generally develop cooperative relationships that serve as an example to agency staff. In a number of sites, including Racine, Kenosha, and Montgomery counties, managers from collocated agencies meet regularly to make decisions about the everyday running of the one-stop sites, take responsibility for tasks, allocate staff, and so forth.

Collaborative service provision

The Montgomery County Department of Jobs and Family Services is using TANF and other funds to support a network of local community service organizations that provide, for example, family crisis intervention and youth mentoring programs that complement the services provided at the county's Job Center. The Bibb County, Georgia, Substance Abuse Treatment Center is a residential program that provides mothers and pregnant women with treatment, counseling, parenting and family planning skills, and other supportive services. It is cosponsored by three very different agencies: the county office of the state Department of Family and Children's Services, a private behavioral health service agency, and the county Economic Opportunity Council.

Integrating funding streams

In Racine County, staff combine TANF, WIA, Food Stamp Employment and Training, and other funds to create one system of services for all who come to the county Workforce Development Center. In San Mateo County, financial management staff work with over 150 state and local funding sources in what they call a "braided funding" configuration to maximize the level of services (on funding streams, see the article in this *Focus* by Corbett and Noyes).

Integrating a wider range of service providers

With funding from TANF and other programs, private, nonprofit, community-based, faith-based, and for-profit agencies in many sites are providing services from employment and training to case management and counseling. In many localities private providers are being integrated into processes traditionally the preserve of government. In Montgomery County, Goodwill Industries provides case management services at the Job Center; in El Paso County, Goodwill provides employment services in the office of the County Department of Human Services.

By combining income support programs with employment and training programs such as those provided under WIA in seamless systems, states and localities can bring in these other, nontraditional partners, providing services that meet a broader range of community needs, blurring the lines between cash assistance and employment assistance, and reducing the stigma of "welfare."

Operational strategies

Consolidating the location of services (collocation)

Collocation is often seen as a critical step toward other operational reforms. Managers and staff in collocated sites are enthusiastic about the benefits: improved formal and informal communication among agencies, simplified family access to programs and services, and the opportunities for staff from different organizations to understand how different programs contribute to larger community goals. Collocated offices range from very small neighborhood sites with a few service providers to an 8.5-acre building in Montgomery County with 47 service providers.

Integrating intake and assessment of participants

In Jackson County's Rogue Family Center, two managers from different agencies share responsibility for the office, and staff teams plan events and discuss policies. Staff from each of the 20-odd programs at the center conduct the intake interview on a rotating basis, using the same assessment tool to determine the need for a wide range of programs and services. Each participant has a primary case manager who works with both the participant and the service providers.

Integrating staff from multiple organizations

In many sites, managers have created multidisciplinary teams, which is made much easier by collocation. In El Paso County, income support programs are viewed as a form of prevention for child welfare services such as out-of-home placement, and teams include staff from both programs.

Coordinating case plans

To ensure that case plans for different programs do not conflict, cross-program team staff discuss individual cases and strategies and share information about participating families so that programs work harmoniously rather than at cross-purposes. In both El Paso and San Mateo counties, families who need multiple services are invited to participate in discussing the best mix of benefits and services to meet their needs.

Consolidating case management across programs

This is perhaps one of the most challenging operational strategies, in which a single caseworker is responsible for services that span traditional program groupings, such as income support and employment and training. There are almost no examples of study sites where this approach is carried through. In virtually all sites, workers continue to specialize programmatically (dealing with either TANF or child care eligibility, for example) and to a lesser extent functionally—that is, eligibility is handled by one worker, ongoing case management by another.

Given that an intended consequence of most service integration initiatives is to reduce the number of workers with whom participants interact, there is much room for progress. Even though the number of workers involved in individual cases may be smaller than it used to be, and there is much more communication and coordination among programs, it is generally true that many workers are involved when participants need multiple services. Case management across programs is at best coordinated rather than integrated or consolidated. A common approach to reduce redundancy is the use of teams of workers, as described above. One caseworker may have primary responsibility, but none is responsible for all functions for individual cases.

There are many reasons for the absence of consolidated case management. Information systems are not integrated, policies and administrative procedures differ among programs, and funding streams remain separate. But it is worth noting that in Nebraska, social services casework has been consolidated both functionally and programmatically, probably because of staff limitations in the small rural offices that are the norm for this mostly rural state. In Nebraska, the state created a new and better paid staff position of Social Service Worker. These front-line workers are responsible for intake, assessing eligibility, and ongoing case management for TANF, Food Stamps, Medicaid and related health insurance programs, emergency assistance and other ad hoc social services such as transportation aid and, in some offices, county General Assistance. Even in these local offices, however, two tracks continue to function side by side: Economic and Family Support, and Protection and Safety.

The challenges to integrated service delivery

Will implementing some or all of these strategies result in an integrated system? Perhaps. But suggesting that these strategies are the entire story would be a mistake. Other factors that significantly affect successful integration include effective leadership, community involvement and strong political support, simple governance structures and skillful management, a clear mission that is regularly reinforced, a willingness to experiment, and plenty of teams, meetings, patience, and time. The absence of any one of these factors may have a profoundly negative effect on the development of a comprehensive service initiative. These, however, are the kinds of general differences that confront efforts at reform and consolidation in any area of government. There are, in addition, difficulties specific to the integration of social services.

Casework differences

It is simplistic to assume, because caseworkers carry out similar tasks (e.g., program intake and eligibility procedures), that it should be relatively easy to combine casework for multiple programs. As noted earlier, this goal has been rarely attained, for many reasons. Some managers believe that it is unreasonable to expect caseworkers to maintain detailed working knowledge of a wide array of programs, and that a degree of specialization is necessary if workers are to remain committed to working with particular programs and participants. Moreover, programmatic specialization has long been typical of casework. Caseworker training, qualifications, pay scales, and caseloads differ significantly between, for example, income support and child welfare programs.

Emphasis on welfare reform and caseload reduction

TANF clients are a relatively small portion of the entire clientele for human services programs, yet have drawn an inordinate amount of public attention. Many service integration efforts place the highest priority on providing services to this population—testimony to the strength of political signaling related to welfare reform and welfare caseloads. This nonetheless distracts attention from the larger population of other social services clients.

Security and confidentiality

The sharing of information about families receiving social services is a salient issue in all discussions of service integration, though it is more problematic for some sites than for others. This is particularly true where different levels of government are responsible for program administration. In Jefferson County, Kentucky, representatives of partner agencies took a year to reach agreement on the procedures for sharing confidential information across programs and between government and private agencies. Other sites had similar experiences. "Confidentiality" has at times been used as a convenient excuse for resisting participation in service reform. Nevertheless, examples demonstrate that agreement can be reached where the will exists.

The future of integrated systems

The sites visited were selected because preliminary evidence suggested that they were among the better examples of service integration. They do not represent the norm—indeed, quite the contrary. The U.S. General Accounting Office (GAO) examined the level of integration between two federal programs: the one-stop centers created under WIA and TANF, programs that serve overlapping populations.[3] GAO found that, in 2000, 9 states had provided cash assistance services at least part time in most of their one-stop centers; in 2001, 16 states did so. In both years, only 7 states collocated Food Stamps and Medicaid services with their one-stop workforce offices. Service integration clearly has a long way to go.

Perhaps the most nagging question about service integration is "What difference does it make?" Do participants receive better service? Are they better off? Have their communities benefitted, and if so, how? The examples of service integration we studied were not designed as demonstration projects, so that it would be exceedingly difficult to identify effects and the causes of success (or failure, for that matter) in the rigorous manner demanded by evaluation methodologies.

Evidence from the final interviews for this study suggests that the severe budget crises now confronting all states are beginning to have a significant effect on the ability of local managers to maintain the comprehensive systems that have been developed. There is unlikely to be money for the agencies themselves to undertake monitoring.

Nevertheless, staff and managers at the study sites were universally enthusiastic regarding the benefits of service integration, both for clients and for workers. Though their "evidence" was anecdotal, it was clear that benefits include streamlined and efficient communication between programs, less redundancy, better coordination of case plans, and not least, the sense that they were part of a team that reinforced their efforts to improve client outcomes.

Comprehensive service reform is not easy. As one manager put it, "The only people who like change are wet babies." The community leadership, program managers, and office staff visited in the course of this study have invested significant time and effort in building better service delivery systems. They are unwilling to return to the old ways, and convinced that these new ways of doing business will endure, even in difficult times. ■

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[1]Working closely with the Casey Strategic Consulting Group of the Annie E. Casey Foundation, Mark Ragan visited sites in 12 states where human service program managers have undertaken substantial efforts to integrate the delivery of human service programs. Selected site visit reports that document strategies, critical success factors, lessons learned, and operational tools, such as information technologies, that have contributed to the success of these efforts, are available on the Federalism Research Group's pages of the Rockefeller Institute's Web site, <http://www.rockinst.org/quick_tour/federalism/service_integration.html>. Much of this article is drawn from the draft final report: M. Ragan, *Building Better Human Service Systems: Integrating Services in Income Support and Related Programs*, Rockefeller Institute, Albany, NY, February 2002. The article in this *Focus* by Fossett and colleagues is also based upon data from the Rockefeller Institute.

[2]Initially we had hoped to locate sites where information technology had fostered significant progress in integrating services. After the first few visits it became clear that human service information systems were more often viewed by local staff as a barrier, so we placed less emphasis upon this criterion.

[3]"Workforce Investment Act: Coordination between TANF and One-Stop Centers Is Increasing, but Challenges Remain," statement of Sigurd R. Nilsen before the Subcommittee on 21st Century Competitiveness, Committee on Education and the Workforce, House of Representatives. GAO 02-500T, U.S. General Accounting Office, Washington, DC, March 12, 2002, p. 10.

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