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# The Administration of Public Assistance

## **Cover Page Footnote**

James A. Krauskopf is the Dean of the Graduate School of Management and Urban Policy at the New School for Social Research in New York and the Former Commissioner of the Human Resources Administration of the City of New York. Dean Krauskopf holds an M.P.A. from Princeton University, Woodrow Wilson School of Public and International Affairs (1965) and a B.A. magna cum laude from Harvard College (1963).

# THE ADMINISTRATION OF PUBLIC ASSISTANCE

James A. Krauskopf\*

## I. Introduction

In considering the reform of the nation's welfare system, issues of implementation and program management are too often ignored. Congressional and state legislative debates focus on policy concerns—such as the level of benefits, determination of need (income and assets), eligibility criteria, work requirements, incentives and disincentives (e.g., school attendance, support for additional children, and teen parenting). These and related issues form the critical elements in the ongoing national welfare debate, especially in the current climate in which Congressional and state leaders have proposed major policy shifts and benefit reductions in what have been the sustaining entitlement aid programs for the poor. Particularly in periods such as the present, when policies are changing, the role of administration becomes critical in determining what happens to recipient well-being, program costs and fulfillment of objectives.

The nation is currently in the midst of what promises to be one of the sharpest changes of direction in social welfare policy since the 1930s, when the basic shape of American public assistance programs was established.<sup>1</sup> Much of this attention focuses on welfare—the federal Aid to Families with Dependent Children (AFDC) program and various state/local general assistance programs.<sup>2</sup> The combination of federal legislation based on the Re-

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1. Social Security Act, 49 Stat. 627 (1935). See Joel F. Handler, *The Transformation of Aid to Families With Dependent Children: The Family Support Act in Historical Context*, 16 N.Y.U. REV. L. & SOC. CHANGE 457 (1988).

2. Social Security Act, tit. 4 § 401, 49 Stat. 627 (1935) (current version at 42 U.S.C. §§ 601-17 (1988 & Supp. 1993)). See Randi Mandelbaum, *Trying to Fit Square Pegs Into Round Holes: The Need For a New Funding Scheme for Kinship Caregivers*, 22 FORDHAM URB. L.J. 907 (1995).

publican Congressional "Contract With America"<sup>3</sup> and a variety of state enactments and proposals is moving the welfare system in the direction of reduced benefits and penalties to recipients for purported negative behavior.

Among the changes recently proposed in federal legislation or promulgated by states through administrative "waivers" of federal law are: (i) "Family Caps" to deny assistance for additional children born to welfare recipients, (ii) making teenagers who bear children out of wedlock ineligible for aid, (iii) reducing payments when children consistently miss school, and (iv) placing limits on the duration of welfare benefits to a family.<sup>4</sup> These and related provisions, together with benefit reductions enacted by some states and the prospect of converting the federal AFDC entitlement program into block grants to the states with a specified appropriation level,<sup>5</sup> mark a dramatic change in national social welfare policy. The damaging potential of these changes to families dependent on public assistance is heightened by the lack of attention paid to planning for the administration and implementation of these new provisions.

As new welfare reform legislation is enacted, it will be important to consider its administrative implications. Administration of welfare is a state or local responsibility.<sup>6</sup> Interactions with families receiving assistance are the responsibility of regional or neighborhood welfare offices where line staff is more likely to have clerical and administrative training than social work backgrounds. In some states, administration occurs at a district office of the state social services department. In others, it is a county social services branch. In a few, like New York City, it is a center managed by an agency of city government.<sup>7</sup> How the overall welfare system is managed—in particular, what happens in the local administrative offices where contact occurs with welfare recipients and the tone of the program is set—has not been a major point of discussion during the current Congressional process. Yet, the experience of past

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3. HOUSE REPUBLICAN CONFERENCE, CONTRACT WITH AMERICA, LEGISLATIVE DIGEST (Sept. 27, 1994).

4. See MICHAEL WISEMAN, INSTITUTE FOR RESEARCH ON POVERTY & ROBERT M. LAFOLLETTE INSTITUTION OF PUBLIC AFFAIRS, THE NEW STATE WELFARE INITIATIVES, 13-18, 30-33 (1993).

5. Personal Responsibility Act of 1995, H.R. 4, 104th Cong., 1st Sess. (1995).

6. See, e.g., 18 N.Y. CODE R. & REGS. part 300, N.Y. SOCIAL SERV. L. § 20(5) (McKinney 1988).

7. In New York City, the Human Resources Administration administers welfare and oversees the provision of social services for the City of New York. 18 N.Y. CODE R. REGS. part 300, N.Y. SOCIAL SERV. L. § 20 (5) (McKinney 1988).

welfare reforms suggests the critical need to be concerned with issues of management and implementation.

This Essay discusses the problems of implementation and administration of proposed welfare reforms. Part II gives a brief historical background on welfare reforms. Part III describes the nature of administering welfare programs. Part IV sets forth the current welfare reforms in place. Part V notes the public perception of welfare reform measures. Part VI compares the welfare system against other governmental expenditures to provide perspective on the size of the welfare system. Part VII examines the probable consequences of the federal government turning the administration of welfare over to the states in the form of block grants, and Part VIII concludes by recommending that social services be integrated at the local level.

## II. Brief Background on Welfare Reform

Until the 1980s, proposals for welfare reform—including those of Presidents as different as Richard Nixon<sup>8</sup> and Jimmy Carter<sup>9</sup>—called for a strong federal role in assisting those below the poverty line. The resources and redistributive capacity of the federal government were considered crucial to the operation of an adequate and fair welfare system.<sup>10</sup>

By contrast, early in his administration, Ronald Reagan proposed a “swap and turnback” in which the federal government would take over the Medicaid program to provide healthcare for the poor, whereas the states would be responsible for AFDC and many other federal categorical grant programs.<sup>11</sup> Although President Reagan’s proposals, like those of Nixon and Carter, were not enacted, current welfare reform proposals increasingly emphasize state, rather than federal responsibility for welfare.

The last major change in federal welfare policy actually enacted was the Family Support Act of 1988 (FSA or the “Act”), which emphasizes work and self-sufficiency as key objectives through its

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8. President Nixon proposed the Family Assistance Plan. JAMES LEIBY, *A HISTORY OF SOCIAL WELFARE AND SOCIAL WORK IN THE UNITED STATES* 326-27 (1978).

9. President Carter proposed the Program for Better Jobs and Income. JOEL F. HANDLER & YEHESEKEL HASENFELD, *THE MORAL CONSTRUCTION OF POVERTY* 160-61 (1991).

10. Hugh Heclo, *Poverty Politics* in *CONFRONTING POVERTY: PRESCRIPTIONS FOR CHANGE* 396, 410-12 (Sheldon H. Danziger et al. eds., 1994).

11. SAR A. LEVITAN, *PROGRAMS IN AID OF THE POOR* 19-21 (5th ed. 1985).

JOBS (Job Opportunities and Basic Skills) provisions.<sup>12</sup> Under the FSA the federal government would assist the states by providing matching funds to expand education and training, while requiring increased participation in work activities by AFDC recipients.<sup>13</sup> The Act developed out of an important, but short-lived, consensus among different ideological groups that the welfare system should more strongly focus on work and employment activities.<sup>14</sup>

In a field hungry for quick impacts, the Act has not, to date, produced dramatic change in the welfare system. The failure to produce results may be attributed to both the limited implementation of work requirements (workfare) and the underfunding of job training and education provisions by both federal and state governments.<sup>15</sup> For example, only about eleven percent of AFDC recipients are participating in FSA work programs.<sup>16</sup>

Most welfare job programs have had relatively low levels of active participation and only small impacts on reducing caseloads, regardless of the underlying ideology or particular program design that produced them. The welfare rolls are highly dynamic, with most recipients leaving within a few years.<sup>17</sup> The challenge for employment programs has been to motivate and assist the longer-term recipients, those not likely to get jobs of their own accord, to enter into work-related activities and jobs. The evidence indicates that programs do not achieve success quickly or easily with these long-term welfare recipients.<sup>18</sup>

The Manpower Demonstration Research Corporation conducted studies about the Riverside County, California employment program begun in 1985 that emphasized aggressive job search tech-

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12. Family Support Act of 1988, Pub. L. 100-485, 100th Congress, 2d Sess. (Oct. 13, 1988).

13. *Id.*

14. Handler, *supra* note 1, at 479-83; Larry C. Backer, *Of Handouts and Worthless Promises: Understanding the Conceptual Limitations of American Systems of Poor Relief*, 34 B.C. L. REV. 997 (1993).

15. Paul Offner, *Workfare: Waiting for Welfare Reform*, NEW REPUBLIC, Jan. 28, 1992, at 13.

16. UNITED STATES GENERAL ACCOUNTING OFFICE, WELFARE TO WORK: CURRENT AFDC PROGRAM NOT SUFFICIENTLY FOCUSED ON EMPLOYMENT 6 (Dec. 1994).

17. Peter Gottschalk et al., *The Dynamics and Intergenerational Transmission of Poverty and Welfare Participation*, in CONFRONTING POVERTY: PRESCRIPTIONS FOR CHANGE, *supra* note 10, at 93-99.

18. JAMES RICCIO, DANIEL FRIENDLANDER ET AL., MANPOWER DEMONSTRATION RESEARCH CORP., GAIN: BENEFITS, COSTS, AND THREE-YEAR IMPACTS OF A WELFARE-TO-WORK PROGRAM EXECUTIVE SUMMARY 13 (Sept. 1994) [hereinafter MANPOWER REPORT].

niques.<sup>19</sup> The studies showed more substantial results with program participants securing greater earnings from work and using less welfare than a comparable control group of recipients who did not participate in the job search program.<sup>20</sup> Program participants were, however, only five percent more likely than the members of the control group to leave welfare altogether.<sup>21</sup> Recent welfare employment research has carefully distinguished various outcomes—including client participation in program services, securing jobs, reduction of welfare utilization, achievement of self-sufficiency by leaving welfare altogether, and raising family income above the poverty level.<sup>22</sup> These different objectives have related, but distinctly varying, results. For example, many of those who get jobs do not leave the welfare rolls; many who do leave welfare do not rise above the poverty level because their jobs do not pay enough.<sup>23</sup> People leaving AFDC may also lose Medicaid and child care assistance, creating now-familiar disincentives for recipients to leave welfare altogether.

For reasons to be discussed below, redirecting the management of public assistance to emphasize work and self-sufficiency at the local office level is a difficult, long-term process. To date, both federal and state policy-makers have not supported the sustained effort necessary to build participation in work programs—regardless of whether the program was a conservative workfare design or a liberal program emphasizing education and training.

### III. The Nature of Welfare Administration

For the past twenty years, since “separation” of income assistance from social services, welfare has been managed primarily as an office-based system. The emphasis is on achieving accuracy in both eligibility determinations and benefit payments. The United States Department of Health and Social Services measures each state for payment errors that are based on periodic “quality control” audits and then subjects the states to fiscal sanctions for exceeding tolerance limits.<sup>24</sup> If payment error rates exceed low

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19. *Id.* at 4-5.

20. *Id.* at 7-10.

21. *Id.* at 15, 35.

22. *Id.* at 30-35.

23. *Id.* at 35; The official national poverty level was \$12,320 for a family of three in 1994. *Habitat for Humanity Builds Hope*, THE WASHINGTON POST, Mar. 24, 1995, at F12.

24. See generally, John Wrafter, *QC: Abbreviation for Failure*, PUBLIC WELFARE, Fall 1984, at 14-21 (discussing affect of the “quality control” process).

tolerance levels established by the federal government, the Department levies, or threatens to levy, fiscal sanctions on the states.<sup>25</sup> The states, in turn, audit and can sanction their local sub-jurisdictions—thus producing a sharply hierarchical accountability structure, which emphasizes procedures for eligibility and payment accuracy.<sup>26</sup> Because payments to welfare recipients are substantial, attention is focused on ensuring that the line workers in local offices get the eligibility documentation and paperwork correct. Senior social services and budget officials in most jurisdictions have established elaborate procedures to minimize overpayment and ineligibility and guide their systems accordingly.<sup>27</sup>

In short, the system has generally emphasized administrative rather than service objectives. Since public expenditures for welfare at current levels are controversial, there is strong justification for close attention to fiscal integrity in the administration of the program. The public deserves assurance that funds are going to those truly eligible and in the right amounts.

The strong emphasis on the complex details of making accurate eligibility determinations, however, leaves little time in most busy urban welfare offices for assisting clients in achieving self-sufficiency and reduced dependence on welfare. Provision of social services and assistance to recipients beyond cash and Food Stamps have been de-emphasized. They are offered by caseworkers separately from provision of public assistance. Most provisions of social services in New York City, for example, are by nonprofit community-based social services organizations, while the determination of entitlement eligibility is made by local government workers.<sup>28</sup>

In discussions of welfare reform, the interconnections that need to be established between welfare assistance and other support services necessary for families to cope with problems and move toward self-sufficiency have not been well examined. Such management and coordination issues are most salient at the point of administration of welfare benefits, but line welfare workers must administer rules and regulations that are not only complex and sometimes conflicting, but also are subject to frequent changes and

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25. *Id.* at 15.

26. *See, e.g.*, N.Y. SOC. SERV. L. § 74-i (McKinney 1992 & Supp. 1994).

27. *See generally* MARY JO BANE & DAVID T. ELLWOOD, WELFARE REALITIES: FROM RHETORIC TO REFORM (1994).

28. Two examples of such social services programs are daycare and foster care.

reinterpretations.<sup>29</sup> Paper-work is excessive, time available for training is taken up with learning new procedures, and computer support is generally short of what is required.

The pressures on urban welfare offices are large and growing. In New York City, for example, welfare caseloads have always been large and recently have been increasing, while the size of the staff is shrinking.<sup>30</sup> In December 1994, there were 1,157,684 public assistance recipients in the City—up by 45,000 from a year earlier and by more than 330,000 from five years ago.<sup>31</sup> Inevitably, this situation requires worker-client interactions to be highly focused on documentation of income, assets, and the related aspects of eligibility for assistance. General problem-solving and provision of services to welfare recipients are difficult in such settings. The time and motivation for welfare workers to address other problems of families and to identify the resources they need to move toward self-sufficient lives is very limited.<sup>32</sup>

Because of the growth of caseloads and the concentration on eligibility determination, welfare administration does not connect easily to other services that public assistance families may require, or to broad strategies for neighborhood and community development. Welfare eligibility workers tend to operate in isolation from other service providers, given the pressures of caseloads, quality control, and the maze of complicated and oft-changing regulations, forms and requirements they must administer. Close observers have characterized this system as “an administrative culture that is more concerned with enforcement of eligibility rules and with making sure that recipients comply with AFDC regulations than with helping clients toward self-sufficiency.”<sup>33</sup>

Introducing additional objectives, particularly those involving interaction with other services (e.g., childcare, employment training), requires time and management commitment. As indicated, the objectives of the last substantial national welfare reform legislation, the Family Support Act of 1988—to increase the participation of welfare recipients in employment-related activities and to pro-

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29. Allen Kraus & Jolie B. Pillsbury, *Streamlining Intake and Eligibility Systems*, PUBLIC WELFARE, Summer 1994, at 21.

30. HRA FACTS, SWATI DESAI, DIRECTOR OF DATA ANALYSIS AND RESEARCH (1995).

31. *Id.*

32. See BANE & ELLWOOD, *supra* note 27.

33. *Id.*

duce outcomes that increase earned income and reduce dependency—have been only partially realized to date.<sup>34</sup>

#### IV. Current Welfare Reform

Although the Act is still in a relatively early stage of implementation, and reliable results of research are just now becoming available, it has never received full attention in the states. The Act has been eclipsed in recent years by a series of state-initiated waiver requests to the Department of Health and Human Services to make other kinds of changes in AFDC.<sup>35</sup> In noting that the FSA “was billed as the most comprehensive welfare reform bill since the passage of the Social Security Act in the 1930’s,” Mary Jo Bane and David Ellwood, who were then about to assume senior positions in the Clinton Administration, wrote in 1993 that “welfare reform was once again on the agenda of the President and of most governors, as though the FSA had already become an irrelevance or a failure.”<sup>36</sup>

Many of the recent state waiver proposals introduced “welfare reforms” in the form of new penalties and program reductions that were not related to the employment focus of the FSA.<sup>37</sup> These waivers of the uniform provisions of the Social Security Act allow states to experiment with new requirements not contained in the basic law. California, New Jersey, Wisconsin and other states have used waivers to limit benefits for what is considered inappropriate behavior, such as excessive absence from school or birth of additional children.<sup>38</sup> In two Wisconsin counties, an approved waiver authorizes the termination of benefits altogether for the next three years after a family has received AFDC for two years.<sup>39</sup> The Governor of Wisconsin wants to apply this system statewide, and the Wisconsin Legislature has voted to end completely the AFDC program by the end of the century.<sup>40</sup>

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34. Irene Lurie, *JOBS Implementation: Building Capacity and Encouraging Performance*, paper prepared for the Annual Research Conference of the Association for Public Policy Analysis and Management, Chicago (Oct. 27-29, 1994) (on file with the *Fordham Urban Law Journal*).

35. See WISEMAN, *supra* note 4 and accompanying text.

36. BANE & ELLWOOD, *supra* note 27, at 1.

37. Mark Greenberg, *Welfare By Waiver: Fixing Welfare Waiver Policy*, PUBLIC WELFARE, at 11-12 (Winter 1995); Michael Wiseman, *Welfare By Waiver: Fixing Welfare Waiver Policy*, PUBLIC WELFARE, Winter 1995, at 11-12.

38. Greenberg, *supra* note 37.

39. *Id.* at 13-14.

40. *Id.*; Mike Flaherty, *Welfare Cap at Top of Agenda*, WISCONSIN STATE JOURNAL, Dec. 7, 1994, at 3B.

Recently, the provisions of these and other related state waivers have dominated discussions of what is developing as the next round of national welfare reform. Public and Congressional attention has shifted from the JOBS program under the FSA to apparent enthusiasm for the variety of negative incentives that are included in the House of Representatives' welfare reform bill, many of which are patterned on particular state waivers.<sup>41</sup> The careful findings from welfare employment research in a variety of states have not been used to guide debate or program redirection. Instead, political discourse has been dominated by more strident calls for drastic changes and reductions in AFDC scope and costs. At the local level, these new directions will certainly shift priorities once again and are likely to redirect attention of administrators away from an employment focus in operating the program at the local level.

### V. The Public's Perception of Welfare Reform

There continues to be great and unresolved national ambivalence about welfare. Polls indicate that the public has been willing to aid children and other needy people, but does not want to assist those who have additional children while on welfare, are able-bodied and do not appear to make a sufficient effort to work, or those who become parents as teenagers.<sup>42</sup> Distinguishing and separating these groups for receipt of benefits is difficult in practice. Elected representatives, in designing many of the current proposals, appear ready to forego protecting children in order to enact disincentives and penalties for disfavored parental behavior.<sup>43</sup>

Welfare reformers have struggled in the national policy thicket for much of the past thirty years. Although distinctly conservative legislation may be prevailing in the current Congress and in many states, no true national consensus has yet been achieved by proposals to reduce benefits and enact penalties. Opposition from chil-

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41. H.R. 1214 includes time limits for cash AFDC assistance, eliminates aid to children born out of wedlock to mothers under age 18, freezes cash aid through the year 2000, restricts eligibility of disabled children for Supplemental Security Income benefits, and converts AFDC, child protection, child care and nutrition programs from federal entitlements into block grants with state discretion replacing federal program requirements.

42. *See, e.g.*, GEOFFREY GARIN, GUY MOLYNEUX ET AL., PETER D. HART RESEARCH ASSOCIATES PUBLIC ATTITUDES TOWARD WELFARE REFORM: A SUMMARY OF KEY RESEARCH FINDINGS, AMERICAN VIEWPOINT (1993); RICHARD J. BEHN & DOUGLAS MUZZIO, THE EMPIRE FOUNDATION AND THE LEHRMAN INSTITUTE, NEW YORKERS ON THE LIMITS OF WELFARE, EMPIRE STATE SURVEY (1994).

43. Personal Responsibility Act of 1995, H.R. 4, 104th Cong., 1st Sess. (1995).

dren's rights advocates and other groups, as well as from important members of the research and academic communities, remains strong.<sup>44</sup> Undoubtedly, the national policy debate about welfare will continue and further changes will be forthcoming in the future—perhaps to swing the balance back from some of the more punitive directions being pursued in 1995.

## VI. Putting Welfare in Perspective

Although discussions of welfare focus on the AFDC program and, in some states, on general assistance (e.g., Home Relief in New York), AFDC constitutes only about one percent of federal expenditures, and general assistance is not a major share of the budgets of most states.<sup>45</sup> Medicaid costs, including those for welfare recipients, do, however, constitute major and increasing costs for states, as well as for the federal government, but these costs include large Medicaid payments for the elderly, disabled and other non-public assistance recipients.<sup>46</sup>

Social Security, Medicare and other programs for the elderly, by contrast, are far larger than welfare for children and their families. In 1993, of families receiving federal, state and local government assistance, twenty-four percent (about twenty-five million families) received means-tested aid, such as AFDC, Medicaid, Food Stamps, school lunch, housing and others.<sup>47</sup> By contrast, thirty-eight percent (more than forty million families) received Social Security, Medicare, unemployment, veterans' and other non-means-tested government benefits.<sup>48</sup>

The focus of public attention on welfare, particularly on AFDC, also ignores other family and children's programs—such as Food Stamps and nutrition assistance; Medicaid and health; child welfare, child care, and other social services; job training and education; and housing assistance—that are important to the well-being of families. Although many of these programs are now subjected

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44. These include the Center for Law & Social Policy, Children's Defense Fund, and the Child Welfare League of America.

45. VEE BURKE, CONGRESSIONAL RESEARCH SERVICE, THE LIBRARY OF CONGRESS, AFDC REFORM: WHY AGAIN?, CRS REPORT FOR CONGRESS CRS-3 (Jan. 4, 1995).

46. Barbara L. Wolfe, *Reform of Health Care for the Nonelderly Poor*, in, CONFRONTING POVERTY: PRESCRIPTIONS FOR CHANGE, *supra* note 10, at 260, 266.

47. DAWN NUSCHLER & GENE FALK, CONGRESSIONAL RESEARCH SERVICE, THE LIBRARY OF CONGRESS, RECIPIENCY OF FEDERAL AND STATE GOVERNMENT BENEFITS AMONG FAMILIES IN 1993, at 3, 4 (Dec. 21, 1994).

48. *Id.*

to sharp budget reductions,<sup>49</sup> little attention is paid to how they are related to welfare and to how they affect many of the same families who receive AFDC.

While national public assistance policy has historically been established by Congressional legislation and by regulations issued from the Department of Health and Human Services (HHS), it is likely that the states, which already have discretion in setting benefit levels and eligibility provisions, will now receive increased authority to shape public assistance programs as they see fit. Whether by Congressional enactment of a block grant to replace the AFDC entitlement program or through Clinton Administration policy that instructs HHS to be more lenient in granting waivers to states, it is clear that substantial new state discretion to restructure programs and establish tailored provisions of public assistance will result from the current round of welfare reform. How these new state-inspired provisions will affect local administrative offices is less clear.

## VII. The Impact of Block Grants

When the changes proposed in 1995 are implemented, state and local social service administrative agencies will be responsible for managing them. The promise of enhanced flexibility for the states in designing welfare programs appears to present opportunities to redirect management priorities toward self-sufficiency, client assistance or other state and local objectives. This result, however, is far from certain. If the entitlement status of AFDC—by which anyone meeting the income, asset and other eligibility requirements can receive benefits—is ended, as proposed in the House block grant proposal, states may be given authority without the resources to fulfill entitlement needs.

A similar phenomenon on a lesser scale occurred in the early 1980s after the Reagan Administration enacted block grants for social services and other programs along with cuts in their appropriations.<sup>50</sup> Local administrative discretion amounted to selecting which programs to close. Having the flexibility to restructure in the face of inadequate resources can be a hollow power, especially

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49. Dawn Decwikiel-Kan, "Essential" Services Could Be Lost Under New Budget; Department of Social Services, NEWS & RECORD, Mar. 30, 1995, at B1; Karen Pennar, *Are Block Grants The Answer?*, BUS. WK., Apr. 3, 1995, at 89.

50. SAR A. LEVITAN & CLIFFORD M. JOHNSON, BEYOND THE SAFETY NET: REVIVING THE PROMISE OF OPPORTUNITY IN AMERICA 152-54 (1984).

if it involves coping with the consequences of citizens having insufficient resources to retain their housing and care for their children.

While block grants could enable states to simplify the welfare system at the local administrative level, many states have contributed as much to the narrow, hierarchical and categorical character of welfare administration as has the federal government. The separation of welfare administration from child welfare, employment and other programs relevant to welfare recipients has been abetted by state accountability rules. The same vertical accountability structure by program category that is initiated at the federal level prevails and is often reinforced in state social services systems.<sup>51</sup> What can make the system change?

### VIII. Recommendations for Welfare Reform

A more promising direction for welfare reform is to build upward from neighborhood service networks. Connecting public assistance recipients to the other services and institutions in their neighborhoods and communities can reduce their isolation and assist many with employment. The objective of welfare reform should be to change the vertical hierarchy that now characterizes the administration of welfare into a more horizontal approach that encourages interconnections among clients and service providers at the neighborhood level.<sup>52</sup>

AFDC is one of many programs affecting recipients and potentially enabling them to move toward self-sufficiency. Many other services—including childcare, health, job training and education—are necessary to achieve this objective.<sup>53</sup> Relevant services are provided by nonprofit, community-based organizations, as well as by other governmental agencies.<sup>54</sup> Enabling all of these services to

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51. In the AFDC, child welfare & medicaid programs, states generally regulate local administration of these programs in the same separate, categorical manner as they are enacted at the federal level.

52. For discussion of services integration efforts, see ANN ROSEWATER, GRANTMAKERS FOR CHILDREN, YOUTH & FAMILIES COMPREHENSIVE APPROACHES FOR CHILDREN AND FAMILIES: A PHILANTHROPIC PERSPECTIVE (1992); JOAN WYNN, JOAN COSTELLO ET AL., THE CHAPIN HALL CENTER FOR CHILDREN AT THE UNIVERSITY OF CHICAGO, CHILDREN, FAMILIES, AND COMMUNITIES: A NEW APPROACH TO SOCIAL SERVICES (1994); and James A. Krauskopf, Overcoming Obstacles to Implementing Reform of Family and Children's Services (paper delivered at the 16th Annual Conference of the Association for Public Policy and Management (1994)) (on file with the author).

53. See generally Margo D. Butts, *Urban Welfare Reform: A Community Based Perspective*, 22 FORDHAM URB. L.J. 897 (1995).

54. In New York, for example, the Department of Employment, Community Development Agency, Department of Youth Services and the Department of Mental

operate effectively in networks at the neighborhood level would make it more realistic for welfare clients to develop plans to move toward self-sufficiency.

If welfare rules can be simplified and stabilized, the function of local welfare offices and their workers can be broadened to include provision of access to such services. Training and support could focus more on available resources for recipients and less on details of new eligibility requirements, as often occurs now. Policy-makers must support such procedural simplification in order to reduce the fiscal and administrative costs of providing public assistance.

Ideas for making the complicated administration of public assistance benefits more manageable have been developed and implemented in a number of locations.<sup>55</sup> What has not occurred is to make streamlined administration the rule, rather than the exception, in the way public assistance is administered. Rather than emphasizing specialization by program category, as the present system does, the functions of line workers in welfare and other social service offices should become broader and more generic. Workers should see their responsibilities as meeting overall client needs and moving them toward self-sufficiency, rather than narrow program-specific requirements.<sup>56</sup>

An additional component of reform is to eschew the contending ideologies that have pitted different approaches to employment for welfare recipients against one another. None of these approaches has been sufficiently sustained to achieve large impacts on welfare caseloads. Both workfare (requiring recipients to work in government functions for their public assistance checks) as well as education and training opportunities should be expanded. Too few recipients are involved in either right now. If work requirements are coupled with counseling that is directed toward job placement at the end of the work experience, they can be an effective mechanism to help recipients eventually to achieve self-sufficiency.

Whether the job search precedes or follows training is less important than ensuring that more recipients are introduced to work and related services. Sustained, stable administration of employment programs with adequate provision for child care and other support services is not a panacea. Yet, providing these basic supports, and then incrementally increasing resources to enable partic-

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Health are among city agencies that contract with community-based organizations to administer assistance for low income families and children.

55. See, e.g., Kraus & Pillsbury, *supra* note 29.

56. See generally ROSEWATER, *supra* note 52.

ipation to grow, can be much more effective than the past practice of lurching from one program design to another every few years. Coupled with an ongoing commitment to research and an evaluation to guide policy and administration, this approach is more likely to produce a reorientation of welfare towards work than more punitive measures, such as time-limited benefits for recipients.

All of the foregoing, of course, are within the context of current urban labor markets. Recognition of the problems on the supply side of the economy is important as well. There should be strategic use of public service jobs and nonprofit service jobs as bridges for public assistance recipients from welfare to unsubsidized employment. Budget limitations will restrict the number of public service jobs, but they should be seen—along with workfare and education and training—as part of the range of transitional steps between welfare and work.

One final note relates to the role local governments play as inheritors of the effects of welfare reforms. Cities are the place of last resort; city governments are the resources of last resort. Unlike the state and federal governments, cities cannot avoid the consequences of changes in social policy. If the currently proposed reductions in welfare benefits and availability are to diminish the ability of welfare recipients to retain their housing and care for their children, these welfare recipients will become the responsibility of local government in one form or another. Whether through shelter of the homeless or provision of foster care, it is not possible for urban public officials to ignore what happens to their constituents.

The greatest damage to those who depend on government support comes at times of major transition in programs such as public assistance. If this is such a time, cities will face these consequences first.