

The Changing Face of Welfare during the Bush Administration

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Most scholars of American social policy do not associate significant change in welfare policy with the presidential administration of George W. Bush. No major welfare policy initiatives were passed during the first term of the Bush presidency. Welfare cash assistance caseloads have remained fairly constant since 2001. Block grant funding for state welfare programs has remained at \$16.5 billion annually. The poverty rate has increased from 11.3 percent in 2000 to 12.6 percent in 2005, but the number of persons in poverty remains below the historic highs of the early 1990s (U.S. Census Bureau 2006b).¹ Compared to the War on Terror, tax cuts, budget deficits, and Medicare drug coverage, welfare and poverty simply have not been prominent issues in the minds of the public or many policymakers.²

In fact, references to contemporary welfare reform are often associated with the Clinton administration. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), commonly referred to as welfare reform, was a key domestic policy achievement for the Clinton administration and the 104th Congress. PRWORA required work as a condition of assistance, limited lifetime welfare receipt to five years, and expanded state discretion over welfare program administration. Due to welfare reform and unprecedented economic growth, welfare caseloads decreased by 60 percent during the Clinton Presidency and the national poverty rate fell by one quarter, from 15.1 percent to 11.3 percent. The promise to “end welfare as we know it,” has become one of President Clinton’s most lasting domestic policy legacies.

Several important shifts in welfare policy, however, have occurred under the Bush administration. Some change in welfare followed explicit policy proposals from the Bush administration, other changes started before 2001 and simply became manifest after President Bush took office. First is arguably one of the biggest changes in the history of American welfare policy: the shift from a welfare system that predominately delivered assistance through welfare checks to

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a system that provides most assistance through social service programs supporting work activity. Today, states spend roughly 60 percent of all welfare dollars on noncash types of assistance and social services (e.g., child care, job training, adult education, mental health, or substance abuse treatment), with regular monthly welfare checks composing only one-third of all welfare spending. Second, the Bush administration has taken steps to extend charitable choice provisions enacted through PRWORA and encourage faith-based organizations to become more involved in government-funded human service programs. Similarly, the Bush administration has been more aggressive in pursuit of welfare reform's stated goals to reduce out-of-wedlock births and promote marriage. In particular, the Bush administration has created the Healthy Marriage Initiative and sought federal funding for programs that would support formation of two-parent families and responsible fatherhood. Finally, after several years of stalemate in Congress, welfare reform reauthorization passed in early 2006 with little of the fanfare or attention that accompanied the original legislation. Reauthorization of welfare reform will change the policymaking playing field dramatically for states and communities by imposing tougher work participation requirements on states.

Combined, these shifts in welfare policy under the Bush administration will transform the playing field on which state and local government will formulate welfare programs in the coming years. Heightened incentives to increase work activity and reduce welfare caseloads create the possibility of another wave of welfare policy retrenchment over the next several years. It is quite likely that far fewer households will receive assistance from TANF when the current block grant funding ends in 2010. The president's faith-based initiative will draw new community partners into local safety nets, shifting the set of actors and advocates involved in welfare policymaking.

Intergovernmental relationships surrounding welfare will change as well. State and local governments have less discretion over program administration today than 10 years ago when welfare reform first passed. The federal government has placed greater programmatic obligations and reporting requirements upon state welfare programs, while allowing the current dollar value of the TANF block grant to decrease substantially. More constrained than in previous years, it should be expected that some state and local governments will seek creative strategies that will comply with tougher federal welfare requirements but avoid cutting off the most disadvantaged low-income families currently receiving aid.

The First Five Years of Welfare Reform: Caseload Reduction and the Shift Away From Welfare Checks

To understand changes in welfare policy since 2001, it is necessary to appreciate the welfare policymaking context present when President George W. Bush took office.

Dramatic overhaul of our nation's welfare policies occurred with passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), commonly referred to today as welfare reform.³ PRWORA replaced Aid to Families with Dependent Children (AFDC), a cash assistance program for poor single-parent households that is referred to typically as welfare, with the Temporary Assistance for Needy Families (TANF) block grant program.

One of the biggest changes brought about by welfare reform involved work requirements for program participants. Welfare recipients are expected to pursue work activity for 30 hours per week to maintain eligibility, with sanctions facing those who do not comply. Work hour and work participation rate benchmarks were phased in over the first five years of the TANF block grant. In 1997, 25 percent of a state's TANF caseload was expected to work or pursue approved work activity for 20 hours per week. By 2002, 50 percent of a state's welfare caseload was to be working 30 hours per week.⁴ States that did not meet work participation requirements would be subject to an increase in their maintenance of effort (MOE) from 75 percent of the FY 1994 AFDC expenditure level to 80 percent of that level.

Welfare reform offered states a number of ways to help recipients reach work participation goals. States had the option to permit welfare recipients to participate in education and job training activities instead of work for their first 24 months on TANF. Up to 20 percent of the caseload could be exempted from work requirements. States also had the option of exempting parents with children under one year old from work. Even more importantly, states could deduct each percentage point of caseload reduction since 1995 from their work participation rate target. For example, a state that had experienced a 40 percent reduction in welfare caseloads since 1995 would need to have only 10 percent of its caseload in work activity to comply with the federal benchmarks. Moreover, states were allowed to establish separate state MOE-funded programs that would be exempt from federal work requirements.

Apart from work, two of welfare reform's primary stated goals were to "prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies," and to "encourage the formation and maintenance of two-parent families (Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Section 401 [a])." To provide incentives for states to pursue these legislative goals, the Clinton administration dispersed \$100 million annually to five states with the largest reductions in nonmarital birth rates.

Welfare reform transformed program administration dramatically by devolving eligibility and program design responsibilities to state government. AFDC had operated as an entitlement program that gave states little control over welfare program administration or eligibility, other than to set monthly cash assistance

benefit levels. PRWORA ended the entitlement status of welfare, meaning that state TANF programs determine which individuals are eligible to receive welfare assistance. States were permitted to craft welfare programs within fairly broad federal regulations guiding work activity goals, caseload reduction benchmarks, and definitions of cash versus noncash assistance. Responsibility for welfare program outcomes now rests more firmly with state government than at any time since the War on Poverty. Some states have pursued “second-order” devolution, where responsibility for welfare programs was further shifted to county or local government. California, Colorado, New York, North Carolina, and Ohio, for instance, have transferred responsibility for TANF program design and administration to counties. In addition, states have sought to link the programs across multiple state and local governmental agencies, for-profit, and nonprofit service organizations to better address the needs of welfare recipients (Smith, Golonka, and Kramer 2001).

PRWORA also modified the funding of welfare cash assistance. While TANF remained jointly funded by the federal and state government, the federal contribution was changed to a fixed block grant capped at \$16.5 billion annually. State contributions to welfare programs were modified as well, as PRWORA established state welfare spending MOE levels equal to at least 75 percent of a state’s FY 1994 AFDC expenditure levels. States were also authorized to transfer up to 30 percent of their federal TANF funds to the Child Care and Development Block Grant (CCDBG) and to the Social Services Block Grant (SSBG). The initial TANF block grant was set to expire five years after passage, requiring Congress to reauthorize the TANF program in 2002.

The five years following passage of welfare reform saw dramatic changes in welfare cash assistance caseloads and work activity of recipients. From 1997 to 2002, the number of individuals on welfare dropped from 10.4 million to 5.1 million—a decline of 50 percent. The percentage of households eligible for welfare assistance that received welfare declined from 82 percent in 1993 to 48 percent in 2002. The percentage of welfare clients reporting work activity increased from 31 percent in 1997 to 39 percent in 2002. Average income among welfare recipients increased by more than 60 percent in nominal dollars from 1997 to 2002 (\$7,196 versus \$11,820, respectively). When combining work participation rates with caseload reduction credits, states had few problems reaching PRWORA’s work participation benchmarks. While the average state achieved a work participation rate of 33 percent in 2002, the average work participation rate states needed to meet after accounting for caseload reduction was 6 percent (Department of Health and Human 2001b, 2005; Pavetti 2004; Urban Institute 2006).

Much of the caseload reduction, however, occurred prior to 2001 and the start of the Bush administration. For example, from 1997 to 2000, the number welfare recipients declined by 44 percent. Caseload reduction leveled off after 2000,

as the number of recipients declined only by 12 percent from 2000 to 2002 (Department of Health and Human Services 2001b). In fact, even though caseload levels remained unchanged in 2003, 27 states reported slight increases in TANF caseloads that year (Rahmanou and Greenberg 2004). Some of the slowdown in caseload decline was due to the economic downturn in 2001 and the sluggish nature of the labor market for low-skill workers following the recession. Moreover, once states saw that they could reach work participation goals with relative ease, there was less pressure to reduce the TANF caseload subsequently. Many states also developed separate state programs during the first few years of TANF that permitted clients with severe barriers to employment to receive cash assistance without having to meet federal work requirements. In addition, many states continued to provide partial TANF grants to low-income children whose parents were no longer eligible for TANF. These “child-only” cases composed roughly 37 percent of all households receiving TANF assistance in 2001 (Department of Health and Human Service 2001a).

Less well-publicized than caseload reduction and work, but as important to the long-term contours of welfare policy, the mode of welfare assistance has changed as well. TANF program benefits are defined as either “assistance” or “non-assistance.” Recurring monthly welfare checks, defined by the law as “assistance,” are no longer the primary source of assistance for welfare recipients. Instead, welfare-to-work programs now fund a range of social services that are defined as “non-assistance,” which include short-term (less than four months in duration) childcare, job search assistance, mental health services, substance-abuse treatment, domestic violence counseling, and temporary income support intended to support work activity and help recipients overcome barriers to employment. Rather than a welfare system reliant on welfare checks, the system now uses a wide range of tools to transform individual behavior, increase work-readiness, and promote economic self-sufficiency (Parrott et al. 2007).⁵

Trends in federal welfare expenditures highlight the significance of changes in welfare assistance since passage of PRWORA. From 1997 to 2004, the percentage of federal welfare dollars devoted to cash assistance fell from 77 percent to 33 percent. Total federal expenditures for welfare cash assistance declined by 50 percent in real dollars from 1997 to 2004 (from \$9.8 billion to \$5.0 billion in \$2006). At the same time, the percentage of federal welfare dollars going to noncash assistance—services supporting work activity—increased from 23 percent in 1997 to 58 percent in 2004. Taking transfers to the CCDBG and SSBG into account, 64.6 percent of federal TANF monies were spent on social services in 2004. TANF expenditures on noncash services and transfers to other service programs combined, the federal government spent \$11.7 billion in current dollars on noncash assistance in 2004. Similar patterns are evident in state-level TANF expenditures, although less pronounced in part due to states’ decisions to maintain state-only

funded cash assistance programs that fall outside of federal work requirements and time limits. Nevertheless, the percentage of state TANF funds allocated to cash assistance declined from 68.5 percent in 1997 to 49.4 percent in 2004 (Department of Health and Human Services 1997, 2004).

Inflation-adjusted federal and state expenditures for welfare cash assistance declined precipitously in the years following welfare reform. Whereas real-dollar federal and state government expenditures for AFDC cash assistance totaled around \$30 billion from 1975 to 1996, federal and state expenditures for TANF cash assistance amounted to about \$11 billion in 2004—a two-thirds decline in the five years following welfare reform. By comparison, TANF-funded social services and transfers to other service programs totaled about \$17.5 billion in 2004 (House Committee on Ways and Means 1998, 411; Congressional Research Services 2003, 227–239; Department of Health and Human Services 2004).⁶

Many factors contributed to this historic shift from cash assistance to service-based forms of welfare assistance. Welfare reform increased incentives for states to place welfare recipients into jobs and reduce the number of households receiving cash assistance. With cash assistance expenditures declining due to caseload reduction, many states met MOE provisions by using TANF funds for services supporting work activity. Federal law permits service-oriented MOE expenditures to be targeted at programs for a wider range of poor families, not just those eligible for TANF. At the same time as welfare cash assistance went into decline, the federal Earned Income Tax Credit (EITC) became the largest means-tested program providing cash assistance to low-income households in America. In 2002, the EITC provided nearly \$36 billion in credits to 19.8 million families (House Committee on Ways and Means 2004, 13–41). Only those who are working receive the EITC, however, placing even greater emphasis upon providing support services to help welfare recipients find and retain jobs. Finally, all states have taken advantage of the option to transfer 30 percent of federal TANF funds to the CCDBG and to the SSBG, which in turn fund child care and an array of social services for low-income households.

The shift in the character of welfare assistance also reflects greater awareness of barriers to employment among welfare recipients that can be addressed through social service programs. In 2002, the Urban Institute (2006) estimates that 42 percent of welfare recipients had not completed high school. The Women's Employment Study found that over a six-year period, two-thirds of welfare recipients met the diagnostic criteria for a mental health disorder and half reported a physical health problem (Women's Employment Study 2004). Roughly 15 percent of welfare recipients have experienced domestic violence in the past year (Danziger and Seefeldt 2002; Allard, Tolman, and Rosen 2003a). Moreover, it is estimated that anywhere from 44 to 58 percent of recipients experience multiple barriers to employment (Women's Employment Study 2004; Urban Institute 2006).

Given that a greater share of TANF recipients experience multiple barriers to employment and have few other options for assistance, it is not surprising that many states and communities have sought to provide support services that can help those who remain on welfare find work.

Implications of the Shift Away From Welfare Cash Assistance

Replacing monthly welfare checks with non-cash assistance and support services might be viewed by many politicians, scholars and experts as a positive development in the American welfare state—a development that may improve our ability to promote work and self-sufficiency. For some, swapping welfare checks for community-based social services supporting work activity removes the negative behavioral incentives embedded within the welfare system that discourage employment and promote dependency. Growing evidence of barriers to employment experienced by welfare recipients and low-income populations have led many other scholars to emphasize social service provision as critical to improving work outcomes among the poor. Still others would support this shift in the provision of welfare assistance because of the anticipated gains in program effectiveness that come from shifting policy responsibility to states and communities. Administering antipoverty assistance through community-based nonprofit organizations might make programs more responsive to local conditions, more attentive to individual needs, and more efficient users of government funds than is the case when assistance is provided through large federally directed income maintenance programs.

Simply shifting welfare assistance from cash to social services, however, does not guarantee that communities will be able to better promote work activity or translate these possibilities into realities. Many would argue a service-based welfare system will not be able to meet the basic material needs of poor families, a failure that will have deleterious effects upon child development and that will only further exacerbate nonmaterial barriers to employment. Others would be concerned that a service-oriented welfare system minimizes the structural causes of poverty, instead casting poverty as simply an individual-level pathology that can be treated like a medical condition.

More importantly for scholars of federalism and social policy, delivering social services is a fundamentally different administrative task than delivering welfare checks. Welfare cash assistance can be distributed uniformly and equitably to different parts of a state or community. Cash assistance can be mailed or delivered electronically to individuals. Welfare benefit levels vary from state-to-state and by the number of dependents in the household, but in most states benefit levels do not differ across cities or towns. For instance, a single-parent household with two children on TANF in Massachusetts was able to receive a maximum cash grant of \$618 in 2002, whether they lived in Boston or Springfield. The same household

in Alabama would receive \$164, regardless of whether they lived in Huntsville or Montgomery (House Committee on Ways and Means 2004, 7–38).

It is not possible, however, to mail or electronically transfer a job training or substance abuse program to an individual. Few providers are able to visit or deliver services to clients in their own homes. Instead, social service programs are delivered primarily through local governmental and nonprofit agencies in neighborhoods and communities. To receive help from a social service program, a low-income person typically must attend complete a set of classes, sessions, or meetings at a service agency. Regular visits to a provider must be incorporated into daily commutes between work and child care.

Unlike cash assistance, the delivery or availability of social services varies across communities and across neighborhoods within a given community. Some communities and neighborhoods are home to many different types of service providers, some communities and neighborhoods are not. The distribution of services in a particular community will be a function of how nonprofit organizations and public agencies locate within that community. Some agencies may choose to be closer to concentrations of low-income individuals in order to provide services more efficiently. Other agencies may choose to locate nearer affluent populations that can generate revenues through fees and private giving, ensuring consistent service delivery to those in need. Certain communities and neighborhoods may be better equipped to raise resources that can be dedicated to social service provision than others, which will lead to geographic variation in service availability (Grønbjerg and Paarlberg 2001; Joassart-Marcelli and Wolch 2003; Allard 2004).

However, resources and agencies are distributed, living near a service provider is critical to receiving help. Information about services or assistance available is likely to be a function of proximity because one will know more about the agencies and services present in his or her immediate community or neighborhood than in communities and neighborhoods farther away. To the extent that such information is provided, it is reasonable to expect that caseworkers will provide low-income individuals with information about programs and resources in their immediate community. Proximity to providers also reduces the burden of commuting. For working adults with children, visits to service providers must be coordinated with already complex commutes between home, child care, and work. Further, the limitations of public transportation in many communities and low rates of automobile ownership among low-income households make it even more critical that providers are located nearby. Simply put, in a service-based welfare system or safety net, inadequate availability or accessibility of social services is tantamount to being denied aid.⁷

It comes as no surprise, therefore, that greater service accessibility has been linked to better outcomes in communities and among individuals. Adequate

accessibility to social service organizations is critical to maintaining an efficient and effective safety net (Wolch 1996). Research of the determinants of service utilization rates among welfare recipients with mental health and/or substance abuse problems in Detroit concludes that welfare recipients living closer to service providers were more likely to utilize services than those living further away (Allard, Tolman, and Rosen 2003b). Qualitative interviews in Philadelphia reveal that low-income women are more likely to favor service providers nearby and providers in safe communities, over those far away and those located in particularly dangerous areas of their neighborhoods (Kissane 2003, 136).

To demonstrate how place might affect the availability of social services to welfare recipients, I look at data from the Multi-City Survey of Social Service Providers (MSSSP), which completed telephone interviews with 1,487 administrators from a wide range of governmental and nongovernmental service agencies in Chicago, Los Angeles, and Washington, DC between November 2004 and August 2005.⁸ The MSSSP collects precise information about service delivery, clients, and organizational characteristics of public and nonprofit agencies listed or advertised as delivering assistance to welfare recipients and poor populations. With a response rate of 68 percent, the MSSSP is the most comprehensive and geographically sensitive survey of service provision among governmental, for-profit, and nonprofit organizations working with urban poor populations currently available.

Despite examining the safety nets of three very different urban settings, the bundle of services available in each metropolitan area is remarkably similar. Fitting the work emphasis of welfare reform, about half of all providers in each city offer employment placement or job training services and about 40 percent of all agencies offer adult education programs. Assistance with basic material needs is also quite common. Roughly half of all providers offer food assistance. Anywhere from one-quarter to 40 percent of agencies offer some type of emergency cash assistance that may help a poor person overcome a temporary job loss, make a housing or rent payment one month, or help with utility bills. Given the prevalence of mental health and substance abuse barriers to employment among low-income adults, it is not surprising that about one-third of agencies in each city offer out-patient mental health and substance abuse treatments to low-income populations.

Although we might expect service provision to vary by neighborhood, intuition tells us that service providers should be located in or near high poverty neighborhoods. Contrary to expectations, however, most social service providers in the MSSSP are not located in highly impoverished neighborhoods. Some 61 percent of all providers are located in neighborhoods with poverty rates below 20 percent, with 36 percent of providers interviewed being located in low poverty tracts (poverty rate less than 10 percent). Moreover, these patterns are

evident in each city. Almost one quarter of providers in Los Angeles and 39 percent of providers in Chicago were located in neighborhoods with low poverty rates. More than half of all providers in metropolitan Washington, DC were located in low poverty neighborhoods. Just 32 percent of providers are located in high poverty tracts (poverty rate 21 to 40 percent) and just 7 percent of all service providers are located in extremely high poverty tracts (poverty rate over 40 percent). Yet, nearly 60 percent of poor persons in Chicago, Los Angeles, and Washington, DC live in high poverty Census tracts where the poverty rate exceeds 20 percent.

Another indicator of mismatches between the location of social services and the location of poor populations can be found when looking at the distribution of social service receipt across low and high poverty communities. Data from the MSSSP indicate that most social services are delivered in low poverty areas. Looking at the total number of clients served in a typical month, only 6 percent of all services are delivered in tracts where the poverty rate is over 40 percent. Slightly more than 14 percent of all poor persons, however, in these three cities live in tracts where the poverty rate exceeds 40 percent. In contrast, 34 percent of all service opportunities are delivered in low poverty tracts, but only 17 percent of persons below the poverty line reside in such neighborhoods.

Defining areas with low levels of service accessibility or availability as those with at least 25 percent fewer service opportunities than the average neighborhood controlling for potential demand, I also find that most high poverty neighborhoods are located in areas with very low levels of service access.⁹ Some 70 percent of residential Census tracts with poverty rates over 20 percent in the three cities are proximate to at least 25 percent fewer service opportunities than the metropolitan mean neighborhood. The typical tract with a poverty rate over 20 percent is proximate to roughly 30 percent fewer service opportunities than the average tract in each metropolitan area. By comparison, 54 percent of low poverty neighborhoods are located in areas with low levels of service provision.

Aside from the prospect of spatial mismatches between welfare recipients and social service providers, TANF assistance is not countercyclical in nature or likely to expand with need. Under AFDC, welfare was viewed as an entitlement, so when the number of eligible families increased, welfare caseloads expanded, more welfare checks were printed, and the cash assistance portion of the public safety net expanded. Today, welfare no longer functions like an entitlement system. Meeting an eligibility standard does not guarantee receipt of assistance from TANF. Time limits, work requirements, and federal work participation benchmarks make it difficult for states to expand welfare caseloads during economic downturns. Further, because PRWORA is a block grant program, federal and state spending on welfare is fixed at 1995 spending levels, with states having discretion over how to allocate funds across programs and communities. The cap on welfare spending

has eroded the real dollar value of available TANF resources by about 12 percent since 1996. Inflation erosion has been compounded by federal regulation permitting states to finance welfare programs at 75 percent of the FY 1994 level and to divert or transfer up to 30 percent of welfare funds to other social programs.

Comparing poverty rates and welfare caseloads before and after welfare reform highlights the absence of countercyclical properties within TANF. From 1989 to 1992, the number of families in poverty rose by 20 percent (6.8–8.1 million), and the number of families on AFDC grew by more than 25 percent (3.8–4.8 million). Increased need was met by increased availability of cash assistance. In contrast, the number of families living below the poverty line increased by 18.9 percent between 2000 and 2003 (6.4–7.6 million), while the number of families receiving TANF decreased by 8 percent during the same time period, from 2.2 million to 2.0 million (Department of Health and Human Services 2001b; U.S. Census Bureau 2006a). Under welfare reform, increased need does not necessarily correspond to an increase in the provision of cash or social service based forms of welfare assistance.

Also of concern to scholars of American social welfare policy, social service programs are bounded by county and municipal jurisdictions or geography. Publicly funded social services often are spent within a municipality or county and thus serve only residents from their specific county, city, or town. It is common for nonprofit service organizations to target or limit assistance to residents of a particular neighborhood or community. If service agencies in a given county, city, or town do not offer a particular treatment or program, persons seeking help may find it difficult to receive assistance in adjacent communities. Such a system works well if services are readily available in all communities. Yet, evidence presented here indicates that resources may not be very well distributed across communities.

Recent analyses of Census data also suggest that demand for assistance may be flowing across municipalities to a greater extent than ever before. Not only are there fewer high and extreme high poverty tracts in many cities, but poverty rates appear to be rising faster in suburban than in urban areas (Jargowsky 2003; Berube and Kneebone 2006). Whether following family and friends to areas outside the central city, seeking greater job opportunities, searching for better schools, or trying to find quality affordable housing, low-income households are moving away from traditional neighborhoods where poverty was concentrated in search of better opportunities. Even if low-income families are moving closer to jobs or other opportunities outside the central city, many low-income families will still struggle with barriers to employment. Poor households may even encounter new barriers to employment such as inadequate transportation resources, difficult commutes, or lack of child care because of moves away from public transit

and social networks. Support services will be critical if these families are to maintain employment and advance to better jobs. The problem for these “destination” communities is that many commit few public or private resources to programs addressing the needs of the working poor. Both the public and nonprofit sectors, while having adequate funds for historical levels of need, will find resources insufficient in the face of growing demand for help.

Incorporating Faith-based Service Organizations

Although religious nonprofit organizations such as Catholic Charities and Lutheran Social Services have delivered social service programs to welfare recipients and other low-income populations for many years, the social service role of faith-based organizations has received renewed attention since passage of welfare reform. Less immediately salient than work requirements, caseload reduction, and time limits, PRWORA contained a charitable choice provision that required states implementing social service contracts under TANF to treat faith-based organizations the same as secular nonprofit organizations. This little-debated component of welfare reform permitted religious organizations receiving governmental contracts to maintain hiring practices that favored religious guidelines and provide services in facilities with overt religious symbols or elements, as long as public funds did not support worship or proselytization. It also required states contracting with faith-based organizations to provide services to give welfare recipients a secular alternative for those services.

Seeking to bolster government funding for community-based religious organizations and appeal to the religious conservative base within the Republican Party, presidential candidate George W. Bush campaigned on a “compassionate conservative” platform, which promised greater involvement of faith-based organizations and churches in the delivery of social welfare programs. Speaking in Indianapolis in July 1999, candidate Bush stated, “In every instance where my administration sees a responsibility to help people, we will look first to faith-based organizations, charities and community groups that have shown their ability to save and change lives.” His campaign outlined an \$8 billion package of tax incentives to promote private charitable contributions and funding for social service programs administered by faith-based organizations (Clymer 1999).

Upon taking office, President Bush created the White House Office of Faith-Based and Community Initiatives (OFBCI). The president also immediately established faith-based initiative agency centers in five cabinet-level departments: Justice, Housing and Urban Development, Labor, Education, and Health and Human Services. Since 2001, the Bush administration has created agency centers for the faith-based initiative in the Departments of Agriculture, Homeland Security, and Commerce, as well as in the Agency for International Development (USAID),

the Department of Veterans Affairs, and the Small Business administration. The mission of the OFBCI and agency centers has been to reduce barriers faith-based organizations might face when seeking federal funding opportunities and to increase their capacity to deliver social services to populations in need (Formicola, Segers, and Weber 2003, 5–23). Although not achieved through the legislative process, administrative rules to eliminate regulatory barriers to the participation of faith-based organizations in federal programs have the force of law.

While legislation that would make Charitable Choice permanent and appropriate large sums of federal money for faith-based organizations never materialized, the White House has used the OFBCI to strengthen partnerships between government and faith-based organizations in communities across the country. For instance, Congress has appropriated \$230 million in funding to the Compassion Capital Fund (CCF) from FY 2003 to FY 2006. The mission of the Compassion Capital Fund is to “help faith-based and community organizations increase their effectiveness, enhance their ability to provide social services to serve those most in need, expand their organizations, diversify their funding sources, and create collaborations to better serve those in need.” The CCF Demonstration Program provides funding to intermediary community organizations that in turn “help smaller organizations operate and manage their programs effectively, access funding from varied sources, develop and train staff, expand the types and reach of social service programs in their communities, and replicate promising programs.” From 2002 to 2005, the CCF has provided \$125 million in funding to 65 community intermediary organizations to help smaller faith-based organizations develop organizational capacity to administer grants and service programs (Department of Health and Human Services 2006).

The Bush administration’s emphasis on improving the involvement of faith-based organizations has not been limited to the federal government. Many states and communities are seeking to involve religious congregations and faith-based service providers more directly in the provision of social services for low-income populations. Twenty-seven states have enacted legislation since 2003 that increases the role of faith-based organizations in delivery of social services. Thirty-two states have designated an administrative agency office or staff person to function as a liaison between the state and faith-based organizations. Twenty percent of states have pursued capacity-building activities in the faith community and half have provided technical assistance to faith-based organizations that may have little experience with service provision or government contracting (Ragan and Wright 2005, 7–19).

Data from the Multi-City Survey of Social Service Providers demonstrates how important faith-based organizations are to welfare recipients and low-income populations seeking help.¹⁰ Across the three study sites, nearly one quarter of all service providers self-identified as religious or faith-based nonprofits,

approximately one-third of all nonprofit service organizations. Seventy-five percent of faith-based organizations indicated that they provided services and assistance to welfare recipients. Welfare recipients composed about 40 percent of the caseload for the median faith-based service provider. Faith-based providers serving welfare recipients frequently operate in high poverty areas, as 39 percent were located in Census tracts where the poverty rate exceeded 20 percent, compared to 46 percent of secular nonprofits and 29 percent of government agencies that served welfare recipients. Although faith-based agencies serving welfare recipients primarily offered assistance with material needs through emergency cash and food assistance programs, about one-third offered adult education, job training, and treatment for mental health or substance abuse. Perhaps of more concern to proponents of the president's faith-based initiative, only 66 percent of religious service organizations reported being aware of "a national initiative that would make it easier for religious organizations to apply for government money to support their human service programs."

Contrary to expectations, however, many faith-based organizations report receiving government funding and had frequent interaction with elected officials or government agencies. Fifty percent of all faith-based service organizations received funding from government grants or contracts in the most recent fiscal year and nearly one-third of those organizations received more than half of their operating budget from governmental revenue sources. Moreover, almost 40 percent of all faith-based service organizations report frequent communication with elected officials to local government or to staff from administrative agencies.

Reducing Nonmarital Births and Promoting Two-parent Families

Aside from promoting work, TANF was enacted with the purpose of decreasing the number of children born out of wedlock and promoting marriage. The goal of reducing illegitimacy and supporting two-parent households was central to Republican proposals for welfare reform and was of considerable interest to the conservative base of the party (Haskins 2006, 61–62). Moreover, there began to emerge social science evidence that children experienced better outcomes when living with two-parents (McLanahan and Sandefur 1994). In the first five years following welfare reform, however, the federal government and the states made little progress toward either goal under the Clinton administration. Horn (2001) found both the national rate of marriage and the percentage of births occurring outside of marriage remained unchanged in the years immediately following passage of welfare reform.

Weak state government interest in designing programs to reduce nonmarital births and increase rates of marriage reflect the conflict and controversy over governmental involvement in those private decisions of individuals. For its part,

TANF provided only modest incentives and resources for states to pursue programs promoting marriage. Even when states took interest in marriage promotion, there were few proven program models to adopt. Moreover, much of the emphasis on reducing nonmarital births prior to 2001 came from out-of-wedlock performance bonuses, which rewarded five states annually with the largest reductions in the share of births occurring outside of marriage without increases in the abortion rate. These performance bonuses, however, were not connected to explicit state programs designed to reduce nonmarital births or support formation of two-parent households. The bonus programs simply rewarded states for fortuitous demographic change (Horn 2001; Center for Law and Social Policy 2002).

From the start of his first term, President Bush emphasized the need for government and communities to promote responsible fatherhood and healthy marriages. In its initial budget to Congress, the Bush administration argued that “the presence of two committed, involved parents contributes directly to better school performance, reduced substance abuse, less crime and delinquency, fewer emotional and other behavioral problems, less risk of abuse or neglect, and lower risk of teen suicide . . . there is simply no substitute for the love, involvement, and commitment of a responsible father” (White House 2001, 75).

Similar to the case with the OFBCI, the Bush administration created the Healthy Marriage Initiative (HMI) within the Department of Health and Human Services to promote research into program models that would effectively support formation of two-parent families. Among its many nonlegislative activities with a limited budget, HMI funded three major multi-site healthy marriage demonstration and evaluation programs. The Building Strong Families Project, a nine-year experimental design started in 2002, evaluates programs intended to help strengthen relationships between unwed couples and support their interest in marriage. Supporting Healthy Marriages is an eight-site experimental design that targets services at low-income couples, seeking to strengthen existing relationships, and remove barriers to healthier marriages. Finally, the Community Healthy Marriage Initiative conducts evaluations of many different community-based programs that seek to promote healthy marriage and parental responsibility (Dion 2005).

Of relevance to proposals for TANF reauthorization, the Bush administration and HMI subtly shifted the focus of TANF away from illegitimacy to promoting marriages (Macomber, Murray, and Stagner 2005). The Bush administration indicated it was not interested in creating a “federal dating service,” abandoning single parents, or simply looking to increase marriage rates. Instead, the goal was to provide married couples and couples interested in getting married with counseling, education, and skills to strengthen their relationships. With empirical evidence supporting the administration’s belief that children are better off in two-parent

households, the mission of HHS and HMI shifted from asking whether government should support marriage to how it should best support formation and maintenance of healthy marriages. Emphasis was placed on understanding and learning how to best promote family formation. In making this shift, the administration sought to identify, evaluate, and improve innovative programs that could be adopted successfully nationwide (Horn 2004, 188–190).

Reauthorizing TANF

With the TANF block grant set to expire in 2002, the Bush administration announced its plan for TANF reauthorization shortly after its first year in office. Initial outcomes of welfare reform and the changing federal fiscal environment shaped the administration's approach to reauthorization of TANF. Although there were far fewer persons receiving welfare than five years before, caseload reduction and work activity had leveled off by 2002. TANF performance bonuses provided no real incentive for states to take an active role in reducing out-of-wedlock births or to promote formation of two-parent families. As important, the emergence of budget deficits and economic recession in 2001 placed greater pressure on the Bush administration to limit growth in or reduce welfare program expenditures.

Many elements of the initial welfare reform would remain unchanged in the Bush reauthorization proposal. For instance, TANF would still emphasize recipients to work as a condition of aid. States would retain discretion over program eligibility and administration. The block grant amount would stay fixed at \$16.5 billion from FY 2003 to FY 2007. Federal lifetime limits on receipt of TANF assistance remained at five years and still permitted states to set lower lifetime limits. State maintenance of effort levels would be retained at 75 percent if state met work participation rates.

The Bush proposal for TANF reauthorization did seek to change the character of work requirements for states and welfare recipients. Mandated state work participation rates would increase from 50 percent of all TANF recipients to 70 per cent of recipients. President Bush proposed to require welfare recipients to work or participate in authorized work activities for 40 hours per week, instead of 30 hours per week as specified by the original law. Definition of acceptable work activity would be narrowed to increase incentives for states to put recipients to work. Work in a job, supervised work experience or community service activities, or on-the-job training were to compose at least 24 of the mandated forty hours of work activity. Of even greater consequence, the caseload reduction credit would be eliminated. States would no longer be able to subtract the percentage of caseload decline from work participation rates (White House 2002, 15–18).

Arguing that state efforts under PRWORA to promote healthy marriages were inadequate and due in part to the “lack of knowledge about how to implement successful marriage and family formation programs,” President Bush also proposed to replace the existing TANF performance bonus grant system with a competitive grants process that would provide \$200 million per year in funding for programs aimed at strengthening relationships and marriage. One set of grants would offer \$100 million to “conduct research and demonstration projects, and provide technical assistance primarily focusing on family formation and healthy marriage activities.” Another \$100 million would support a matching grant program funding state programs “to develop innovative approaches to promoting healthy marriage and reducing out-of-wedlock births” (White House 2002, 19–21).

Another key component of the Bush reauthorization plan was a “superwaiver” provision that would allow governors to request discretion over the funding and administration of a host of programs: TANF, food stamps, the Child Care and Development Block Grant, the Workforce Investment Act, public and temporary housing programs. Although not a block grant in the formal sense, a federal interagency board would review state proposals to reallocate federal funds as if a block grant were in place. Proponents of the superwaiver proposal sought to give states control over the allocation of funds to these various social programs, discretion over program eligibility and benefit levels, and the ability to be more responsive to changing needs within states. The superwaiver proposal would also take a step toward block granting and lowering federal expenditures for many different social welfare programs. Critics noted that the proposal would allow states to swap state programmatic funds in one area with federal dollars from another. For example, states might choose to replace state funds for child care with federal funds from the food stamp or TANF programs. These withdrawn state resources could be used for other purposes, even purposes not related to reducing poverty (Fremsted and Parrott 2004; Nivola, Noyes, and Sawhill 2004).

Separate bills reauthorizing the TANF block grant were passed by the House and Senate in 2003. The House bill (H.R. 4) passed in February 2003, while a Senate Finance Committee bill entitled the PRIDE Act of 2003 was reported from the committee in October 2003. Both the TANF block grant amount and state maintenance of effort requirements remained unchanged under each bill. Work participation rates followed the president’s proposal and increased the percentage of TANF recipients which must be working from 50 percent to 70 per cent phased over three years. The House bill required recipients to work 40 hours per week; the Senate required recipients with children under six to work 24 hours per week and recipients with children over six to work 34 hours per week. Although the two bills had minor differences in the definition of acceptable work

activity, both adhered to the Bush administration's proposal that 24 hours per week must be spent in work, rather than education or training. Instead of phasing out the caseload reduction credit, as proposed by the Bush administration, each bill modified the caseload reduction credit. The Senate bill capped the credit to no more than a 20 percent reduction in work participation rates and based the credit on the number of families working after leaving welfare; the House bill retained the credit but would base it on recent caseload reductions. Finally, each bill included the president's requests for \$1 billion in funds to promote healthy marriages (Center on Budget and Policy Priorities and Center for Law and Social Policy 2003; Burke 2005).

In contrast, there was bi-partisan support within both the National Governors Association (NGA) and the National Conference of State Legislatures (NCSL) for a TANF reauthorization bill that would maintain existing work requirements, preserve state discretion over program administration, and adjust the block grant for inflation to ensure states had adequate funding for their TANF programs. Governors and state legislators lobbied for more flexibility to meet work participation requirements and serve caseloads composed of recipients with multiple barriers to employment. States also requested greater funding for childcare services that would help low-income parents work (National Conference of State Legislatures 2002; Golonka 2005). As important, states viewed persistent delays in reauthorization as impeding their efforts to craft effective TANF programs, because "uncertainty about the new [TANF reauthorization] program requirements and funding level has made it difficult for states to conduct long-term budget and program planning" (Golonka 2005).

Even though there were viable bills moving through Congress, reauthorization of TANF did not occur immediately. In 2002 and 2003, congressional focus on military action in Iraq and the War on Terror sidelined discussion of TANF reauthorization. With little internal or external political pressure to pass reauthorization, Congress continued to enact temporary extensions of the original TANF block grant. As the 108th Congress came to a close, however, partisan conflict emerged as an additional barrier to moving reauthorization forward. Partisan differences over proposed changes to TANF, increased funding for child care, and the degree to which recipients could use education and job training to count as work activities slowed progress in the Senate. Delay turned into deadlock, when Republican leadership in the Senate was unable to overcome partisan division and reach the 60-vote majority necessary to end debate over TANF reauthorization (Hulse 2002; Burke 2004; Pear 2004).

After putting off decisions regarding the future of TANF for several years, Congress quietly reauthorized TANF as part of the federal budget reconciliation process that began in late 2005. In March 2005, a House Ways and Means subcommittee passed a TANF reauthorization bill (H.R. 420) and the Senate

Finance Committee approved its own reauthorization bill (S. 667), but neither chamber held floor votes on their respective bills. As before, there were significant differences between the House and Senate versions of TANF reauthorization. Each bill increased work requirements, but the Senate bill granted states greater flexibility to meet those requirements and develop programs to support work among welfare recipients. Moreover, the Senate included \$6 billion in additional federal funding for child care assistance targeted at working poor families (Parrott 2005).

Instead of seeking compromise on a stand-alone TANF reauthorization bill, House leadership inserted H.R. 420 into its budget reconciliation bill. The Senate budget bill contained no provisions for welfare reform reauthorization, but fiscal conservatives in the House prevailed over moderates in the Senate and TANF reauthorization remained part of the larger budget bill being negotiated between the two chambers (Center on Budget and Policy Priorities 2005; Dodge 2005). In late December, narrow majorities in both the House and Senate voted to approve the conference agreement on the budget reconciliation bill, S. 1932 or the Deficit Reduction Omnibus Reconciliation Act of 2005 (DRA). With little Congressional fanfare or public attention, the TANF block grant was then officially reauthorized on February 8, 2006 when President Bush signed the DRA into law.

Reauthorizing the TANF block grant through the budget reconciliation process minimized the conflict and debate that had hampered previous efforts by Republican leadership to modify the original welfare reform legislation. First, budget reconciliation bills pass with a simple majority vote in the Senate, rather than a 60-vote majority to end debate and bring a bill to a floor vote that was proving difficult to achieve. Because reconciliation bills require Congress to reduce spending, including TANF in the budget negotiations effectively prevented the Senate from seeking additional child care funding as a condition of reauthorization (Parrott 2005). In addition, budget reconciliation in 2005 involved many controversial issues (e.g., limits on the growth of Medicaid and Medicare expenditures, funding cuts to child support enforcement, and drilling in the Arctic National Wildlife Refuge) which limited conflict and debate over TANF reauthorization provisions.

Reconciliation also offered Republican leaders an opportunity to limit the length of debate over these many different provisions, making it difficult for the NGA, the NCSL, or other lobbying groups to mount any reasonable challenge to TANF reauthorization. Finally, budget reconciliation offered Republicans in Congress and the Bush administration an opportunity to simultaneously eliminate perceived loopholes in the work requirements of the original welfare reform legislation, make claims about reducing the deficit, and cut entitlement program spending (Grassley 2005). Nevertheless, the National Governors Association and many

advocates for the poor criticized Republicans in Congress for using the DRA to enact policy changes to TANF through a budget reconciliation process that is intended for deficit reduction, not substantive policy reform (Parrott 2005; Serafani 2005; Waller 2005).

The sudden inclusion of TANF reauthorization in the budget reconciliation process and tense congressional negotiations around the DRA, led to a more modest version of TANF reauthorization than had been proposed in previous years. Many controversial components of the Bush reauthorization proposal and the various bills developed in Congress since 2002 were dropped in order to ensure the DRA was not derailed. Of greatest significance, the number of work hours required per week and the percentage of recipients that must be working did not change from the original TANF legislation. Additionally, the superwaiver provision was not included in final TANF reauthorization.

Nevertheless, the DRA established more stringent TANF work participation rate requirements for states than were in place under the original 1996 legislation. While the number of work hours and the percentage of recipients that must meet work participation goals remain the same, the DRA limits state discretion and flexibility in meeting work participation rates. For instance, the range of activities that qualify as work are narrowed under the DRA, limiting state flexibility in meeting work participation benchmarks. Also, there are tighter limits to how much job search activity or job readiness activities designed to address barriers to employment can be counted toward weekly work hours. Of significance to states seeking autonomy and ways to minimize program administration costs, the DRA requires state agencies to count and verify reported hours of work activities for all recipients.

Of greater importance perhaps, the DRA changes how states determine whether they are meeting federal work requirements. After the DRA, all TANF recipients are counted toward work participation rates. No longer can states simply exclude parents of child-only TANF cases—the fastest growing portion of the caseload over the past decade—from work requirements. Nor will states be able to place hard-to-serve clients or clients failing to comply with work requirements in separate state TANF programs that are shielded from federal work participation calculations. Any individual receiving assistance from a state MOE-funded program will be subject to work participation requirements.

As important, the baseline for the caseload reduction credit will be calculated as decreases in welfare recipients from FY 2005, rather than FY 1995. Whereas effective work participation rates were at or near zero for most states prior to reauthorization as a result of the caseload reduction credit, work participation requirements in the near term will be much closer to 50 percent of the caseload. Combined, these changes in regulation will greatly ratchet up the work participation rates that all states must achieve to remain compliant with federal

law or risk being penalized up to 5 percent of their federal TANF block grant allotment (Parrott et al. 2007).

Marriage promotion programs received funding through the reauthorization process. From FY 2006 to FY 2010, the DRA authorized \$150 million annually for Healthy Marriage Promotion and Responsible Fatherhood grants. These grants replace previous federal bonuses for reduction in nonmarital births and other program performance bonuses that were part of the original TANF legislation. Competitive grants administered through the Healthy Marriage Initiative are intended to support state programs for marriage-related services, counseling services, responsible parenting programs, and initiatives to increase the economic stability of fathers.

Less ambitious than the Bush administration or House Republican proposals for renewal of welfare reform, reauthorization of TANF still achieved several key welfare policy goals of the Bush administration and members of Congress: narrow definitions of acceptable work activity, increase the percentage of welfare clients that must be working, eliminate loopholes in federal work requirements, and fund programs that support the formation of two-parent families. Even this streamlined version of TANF reauthorization, however, drew criticism from state government advocates.

Policy experts at the NCSL concluded that TANF reauthorization “took away state flexibility” and that while states have “options to keep their successful TANF programs and still meet the higher federal requirements,” these options “may require changes in state laws and budgets,” (Steisel and Tweedie 2006, 23). The NGA lobbied for HHS to adopt definitions of work activity that were less restrictive and deferred to states’ own operational definitions. Governors also asked the federal government to grant states leeway to determine which child-only cases may be exempted from work activity. Further, the NGA requested that HHS adopt reporting requirements of work activity that were not too burdensome on states (National Governors Association 2006).

Conclusion

In many ways, the Bush administration has presided over the emergence of a new era in welfare policy. Following historic caseload declines and increases in work among welfare recipients of the late 1990s, the first few years of the Bush administration saw the completion of a changeover in how states and communities provide welfare assistance to poor populations. Welfare checks are no longer the primary means of assisting welfare clients. Instead, noncash assistance and social services supporting work activity represent a much larger share of federal welfare expenditures.

On top of these changes in the mode of welfare assistance, TANF reauthorization established more stringent work requirements and removed many of the loopholes for state compliance with the original TANF work participation benchmarks. In effect, the Bush administration and Congress put teeth back into TANF work requirements, but set difficult benchmarks for state programs that are working with adult populations experiencing many barriers to employment.

States may meet the new work requirements in many ways. More stringent work participation requirements contained within TANF reauthorization place pressure upon states to dramatically reduce welfare caseloads and limit assistance available to individuals not able to meet federal TANF work requirements. States can seek greater reductions in TANF caseloads than have occurred in recent years, in order to increase the newly recalibrated caseload reduction credit toward work participation rates. For example, states may limit caseload growth through stronger client diversion policies at the point of application and reduce the existing caseload through higher sanction rates. States also may lower caseloads by requiring parents of child-only cases to work, or by removing them altogether from the welfare rolls if they have exceeded their five-year federal time limit.

One key difference between welfare retrenchment in the late 1990s and the retrenchment that may occur over the next few years, however, is that the late 1990s were a time of unprecedented economic expansion. Both poverty and unemployment were at historic lows, and low-skill workers were having an easier time finding work than in the previous decades. Today, poverty rates are on the rise, increasing by 12 percent since 1999, and the low-skill labor market is tighter than before. Future caseload reduction and withdrawal of welfare assistance will occur in an environment where low-income households have fewer labor market options, which will lead to greater unmet needs for communities to address.

The fact that there are more poor persons in suburban areas than in urban areas for the first time in American history signals a change in the geography of poverty that will powerfully refract whichever policy choices states make. Communities in suburban, as well as urban, areas, will be forced to address the needs of larger numbers of poor families who have been removed from welfare assistance as a result of recent changes in policy. In addition to finding additional public resources, it is likely that communities will have to turn to the nonprofit service sector to address growing need.

Rather than denying assistance to large numbers of poor families and children, some states may pursue budgetary solutions that shift which programs are counted toward TANF MOE requirements. For instance, states can identify social programs already in place that are not counted toward MOE expenditures, but which meet one of the purposes of TANF legislation and serve populations likely to be working more than 20 hours per week. Not only would such action allow states

to comply with MOE requirements but it would also help them meet the tougher federal work requirements for individuals receiving assistance through TANF-funded programs. States can then fund cash assistance, social service, education, and job training programs outside of TANF for low-income populations and former welfare recipients with many barriers to employment. Under these non-TANF or “solely state-funded” programs, states could provide assistance that will help low-income families find work, without forcing those families to comply with TANF eligibility and work requirements that may be too restrictive or aggressive (Parrott et al. 2007).

Rather than removing recipients from the welfare caseload, states may provide a modest payment to those recipients who are working. By doing so, states would increase the number of people working and receiving TANF. For instance, the Work Pays program in Arkansas makes cash payments to former participants in the state’s TANF program (Transitional Employment Assistance, or TEA), who remain employed after leaving TEA. Under Work Pays, the state provides cash payments of \$204 per month for up to 24 months if a former recipient is in compliance with federal TANF work requirements. Not only does Work Pays provide incentives for former recipients to retain jobs, but it also increases the number of individuals the state can count as meeting federal work participation requirements (State of Arkansas, Department of Workforce Services 2006).

In January 2007, the State of California provided a glimpse of what the future of welfare policy might hold. Governor Arnold Schwarzenegger’s budget proposal contained provisions for the state’s CalWORKS TANF program that will cease to provide partial cash payments to child-only cases in the state’s Safety Net program unless parents are engaged in work activity. Other families not in compliance with work requirements after 90 days would receive a full family sanction, effectively removing them from the program. Such policies will likely be opposed by the Democratic majorities in California’s state legislature but also signal how states will seek to reduce caseloads in order to comply with the tougher work participation rates contained within welfare reform reauthorization (Halper 2007; State of California 2007; State of California, Department of Social Services 2007, 9).

Scholars, policymakers, and community leaders also should be mindful of how the shift away from cash assistance affects local administration of welfare programs. Welfare clients now receive service-based assistance from a range of nonprofit, for-profit, and faith-based service organizations. Not all communities have access to social service providers, however, and few communities can track welfare clients across the many different agencies offering help. Fragmented service delivery makes it difficult to coordinate activity, assess outcomes, and hold relevant agencies accountable. To the extent that communities pursue capacity-building activities that seek to promote greater involvement of faith-based organizations

in welfare-to-work programs and federally sponsored marriage promotion initiatives, there will be debate about the proper role of faith-based organizations. Even though faith-based organizations may be the only agencies operating in the most impoverished neighborhoods, communities should seek to increase the accessibility of both secular and faith-based nonprofit service organizations, as well as avoid unnecessary duplication and redundancy in service offerings.

With relatively little public debate, the federal government has increased incentives for states to enact stringent eligibility requirements, limit the extent to which education or job training count as acceptable work activity, and strengthen sanctions for noncompliance. Under these conditions, states may have few options other than to reduce caseloads and provide limited assistance to low-income households struggling to find jobs. When reviewing the impact of the DRA and TANF reauthorization several years from now, therefore, it is possible that scholars may find that the welfare policy decisions of the Bush administration actually brought an end to welfare as we knew it, without providing much in the way of public safety net assistance for those in need.

Notes

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1. The U.S. Census estimates that there 37 million persons lived below the poverty line in 2005, compared to 39.3 million in 1993.
2. Although the term “welfare” is used at times to refer to a range of means-tested programs, I use the term to refer to cash assistance programs for low-income households with children such as Aid to Families with Dependent Children (AFDC) or the Temporary Assistance for Needy Families (TANF) program.
3. For a thorough history and discussion of PRWORA, see Weaver (2000) and Haskins (2006).
4. Work participation rates were different for two-parent households on TANF, where 75 percent of recipients were expected to work or be in work activity for at least 35 hours per week in 1997. By 2002, 90 percent of two-parent households on TANF were to be working 35 hours per week.
5. The term “assistance” includes ongoing benefits of a cash or noncash nature, typically monthly cash welfare checks, but also at times support services like child care to individuals who are not employed.
6. All dollar figures reported are in \$2006.

7. Living far from a county welfare office may have created spatial barriers to the receipt of AFDC before 1996, yet welfare recipients were not required to make daily or weekly visits to county offices and place of residence did not determine the amount of cash assistance received.
8. Working with a team of trained survey interviewers, the author conducted the MSSSP between August 2004 and August 2005 at the John Hazen White Public Opinion Laboratory at Brown University.
9. Census-tract level service accessibility scores are created by summing the number of clients served by governmental and nonprofit service agencies within three miles of each residential tract in the three study cities. This figure provides a sense of the supply of services or capacity of service agencies within three miles of a given place. To account for potential demand for services, I divide the number of clients served by the number of poor adult residents within three miles of each residential tract. This initial tract-specific access score is then divided by the average access score in the metropolitan area to generate a relative measure of service accessibility for each residential Census tract that can be compared to other tracts. The end product is a tract-specific service access score that can be compared across a given metropolitan area and reflects the volume of assistance in a particular area or sector, as well as demand for assistance.
10. Providers self-identified as a government, for-profit, secular nonprofit, or religious nonprofit agency.

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