

CAUTION!

The following slides may cause distress to persons traumatized by evisceration or convinced that ours is truly “The Golden Age of Evidence-Based Policy”. As palliative, I do present one regression in traditional comforting NAWRS style, with *multiple(!)* asterisks.

Restoring the Entrails of Welfare Reform

- Zachary Parolin
University of Oxford
- Michael Wiseman
The George Washington University

National Association for Welfare Research and Statistics

Workshop, Omni Hotel
Pittsburgh, Pennsylvania
July 30 – August 2, 2017

THE GEORGE
WASHINGTON
UNIVERSITY



UNIVERSITY OF AMSTERDAM



You were warned . . .

WASHINGTON, DC

An Apology

This isn't the paper I expected to give.

That paper, "Information Exchange in a Federal System: TANF," is in process but is not ready.

The present "Entrails" paper has been published and is available on my webpage, MichaelWiseman.com.

But there have been developments that make reiteration appropriate.

Bear with me.



Background

- This paper is about an episode in the 2012 presidential campaign.
- Trigger: ACF memo inviting states to propose testing “alternative and innovative strategies, policies, and procedures that are designed to improve employment outcomes for needy families.”
- The memorandum offered states the opportunity to “test approaches and methods including definitions of work activities and engagement, specified limitations, verification procedures, and ***calculation of participation rates***.”
- Asserted authority was Section 1115 of the Social Security Act.
- “HHS will only consider approving waivers relating to the work participation requirements that make changes intended to lead to more effective means of meeting the work goals of TANF.”

It's a cliché, but all hell broke loose

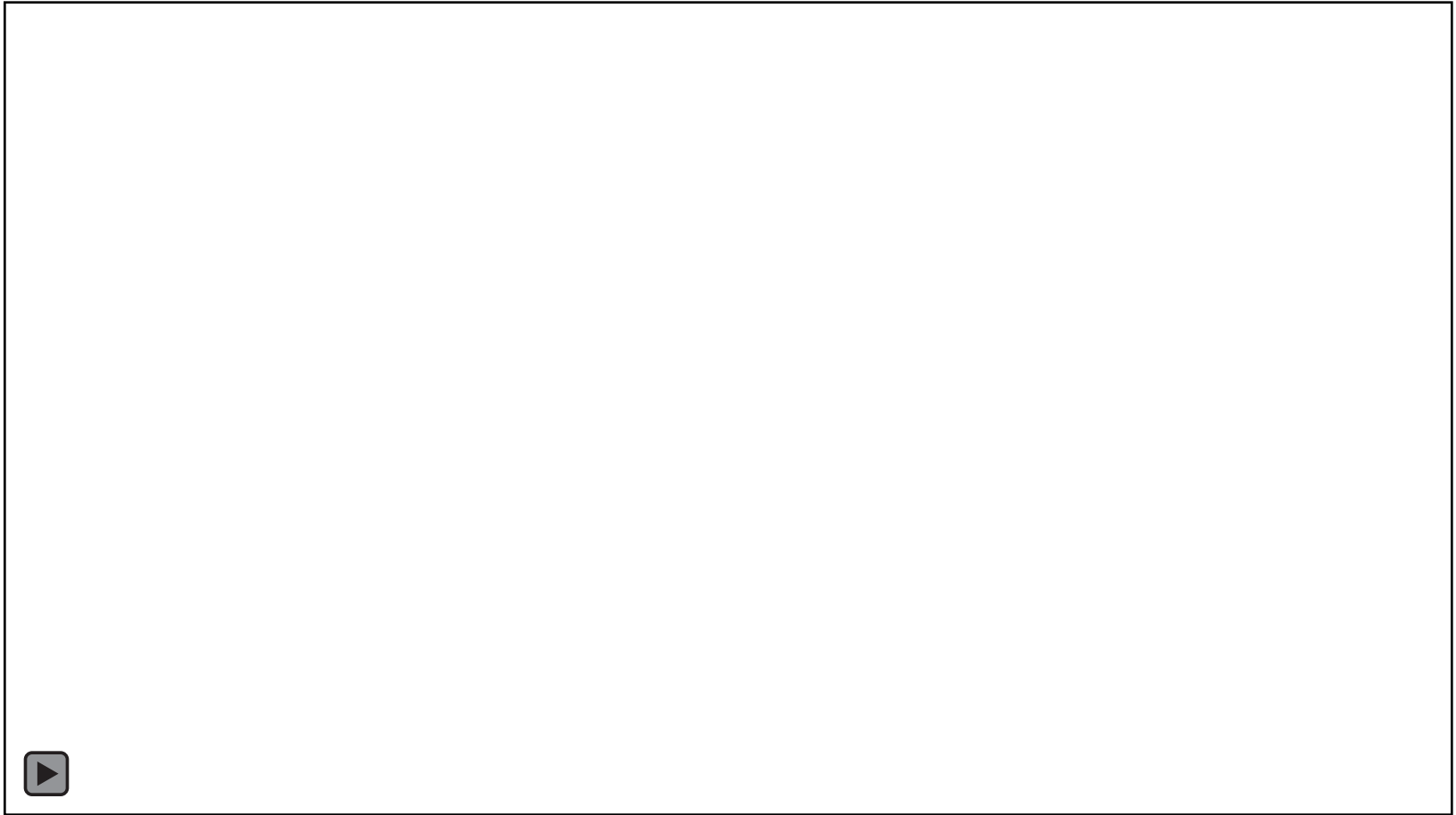
Under the banner “Obama **Guts** Welfare Reform,” staff of the Heritage Foundation pronounced:



An “Explosive Issue”

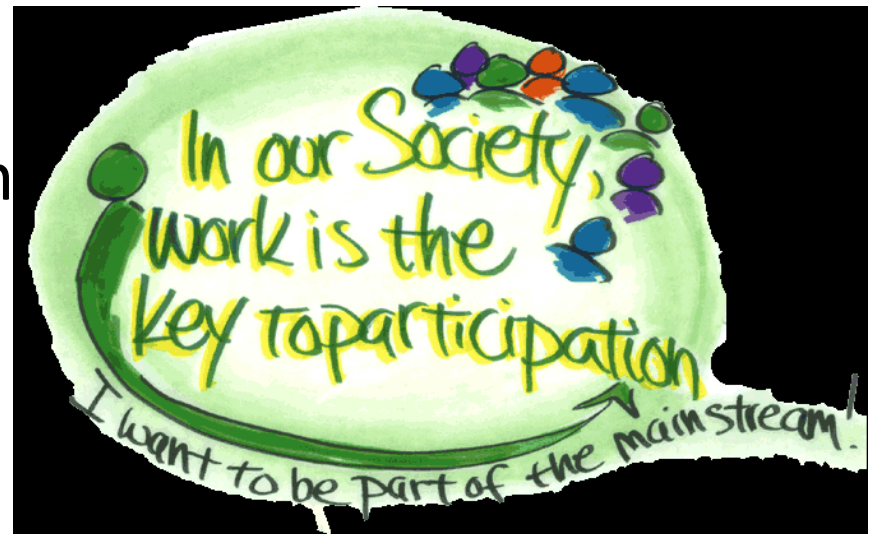
“Today, the Obama Department of Health and Human Services (HHS) released an official policy directive rewriting the welfare reform law of 1996. The new policy **guts** the federal work requirements that were the foundation of the reform law. The Obama directive bludgeons the letter and intent of the actual reform legislation.”

This was quickly picked up



The Participation Requirements

- Part of PRWORA.
- Defined participation
- Set requirements for rates of participation, for all cases and for adults in two-parent families
- Offset by “caseload reduction credit”
- Recalibrated in 2005
- Focus of much attention
- The idea behind the federal proposal





The subsequent debate is interesting, on several grounds

- It's about waivers
- It's about the generation of the evidence base for policy.
- It broaches a common issue for policy scholars and policy analysts: What is our social responsibility in context of this sort of event?
- It's not dead.

The Big Points

- Much of the response was fraudulent
- There is no rationale for PRWORA's choice of participation target
- The debate never touched on a key issue: Resources
- DHHS is likely to rescind the solicitation.

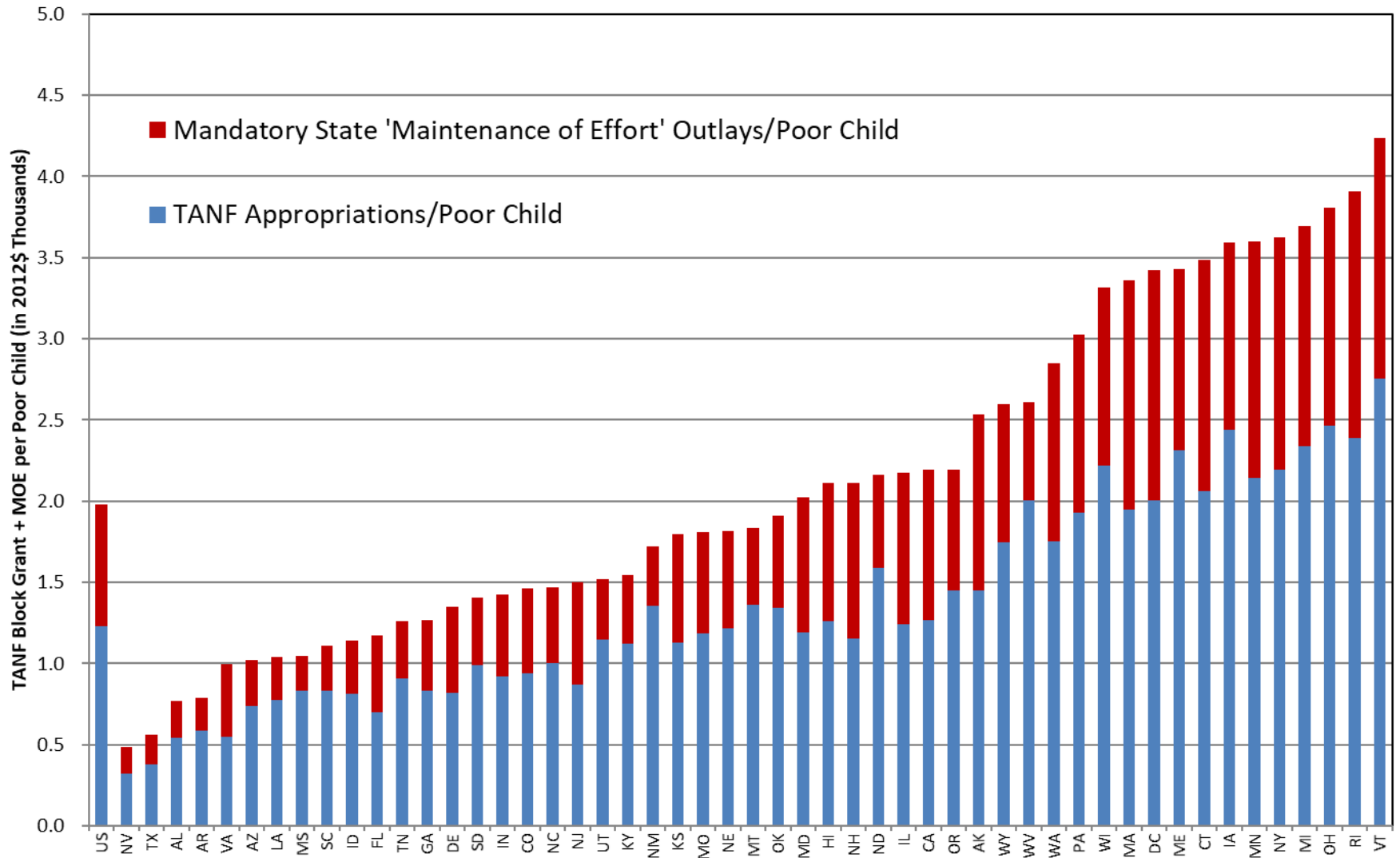


Don't count on it

Computation Break!

- Before adjustments for caseload reduction, etc. all states are subject to the same required rate
- Level playing field would seem to require equalizing resources, possibly with some adjustment for tax capacity
- Meni and Wiseman (2017) calculate the number of poor children in each state
- Then calculate the ratio of resources to poor children
- The calculation is more sophisticated than you might expect
- Here's what they get when they sort states

States Ranked by Average Annual TANF/MOE Resources per Poor Child with Price and Poverty Standard Adjustments, 2011-2013 (in 2012\$)



[Figure STATDISTAD]

Source: Meni and Wiseman (2017)

Possibly Palliative Regressions

$$\ln\left(\frac{TANF}{Poor\ Child}\right) = -9.4 + 1.55 \ln(Per\ capita\ income)$$

$$t = 2.78^{**}, R^2 = .14, n = 51$$

$$\ln\left(\frac{(TANF + MOE)}{Poor\ Child}\right) = -13.0 + 1.93 \ln(Per\ capita\ income)$$

$$t = 3.38^{***\frac{2}{3}}, R^2 = .19, n = 51$$



Well, maybe not . . .

(Some of) The Issues

- 1) Did Congress intend to allow waivers of TANF provisions?
- 2) Is use of waivers in the way *Guidance* describes consistent with law?
- 3) Does the proposed use of waivers contravene TANF work requirements?
- 4) Are the participation standards really the core of welfare reform?
- 5) Can states be trusted?
- 6) Can the Secretary be trusted?

The Responses

- Leading Thinkers
- Coalition for Evidence-Based Policy
- Congressional Budget Office
- Center on Budget and Policy Priorities
- House Ways and Means Committee

From the draft TANF reauthorization bill (July 2015):

SEC. 4. NO WAIVERS OF WORK REQUIREMENT

- And, last but not least, “Peter the Citizen” Recall my Atlanta NAWRS presentation!

Word of the Day: Extispicy

“The study and divination by use of animal entrails, usually the victims of sacrifice, like rational discourse in American social policy” (Wikipedia, augmented)

The Two Visions

- What might we want?
- What might a meaningful federal-state partnership look like?

The guts, however, augur little hope



Integrity restored

Recision

- Eliminating Obama administration directives has high priority in the current administration
- It is likely that the Obama memo will be withdrawn
- The grounds will be of interest; the need is questionable
- The consequences

