

Welfare Reform

Policy

All the evidence since passage of welfare reform in 1996 at the federal level and 1997 here in Washington is that this landmark legislation has proven its effectiveness in reducing welfare rolls and improving lives. Despite predictions of doom should it come to pass, welfare reform is working. There is, however, room for improvement, as discussed below.

Background

The federal 1996 Personal Responsibility and Work Opportunity Reconciliation Act created the Temporary Assistance for Needy Families (TANF) block grant. TANF replaced Aid to Families with Dependent Children (AFDC), under which all families meeting income and asset criteria were eligible for cash assistance without time limits or work requirements. AFDC long had been criticized for fostering intergenerational dependency on public assistance and creating hardships for state governments responsible for the administration of the program.

Program

Washington's WorkFirst program which was established in 1997 by HB 3901, a Republican sponsored bill to implement welfare reform at the state level. WorkFirst is administered jointly by the Department of Social and Health Services (DSHS), the Employment Security Department (ESD), the State Board for Community and Technical Colleges (SBCTC), and the Department of Community, Trade and Economic Development (CTED).

Under WorkFirst, welfare assistance is no longer an entitlement as it was under AFDC. Cash assistance is limited to a maximum of 60 months (five years) in a person's lifetime. During that time, the person must be involved in the WorkFirst program and working or actively looking for a job. Benefits may be extended beyond five years in certain instances. Parents who have received assistance for five years but who do not participate in the WorkFirst program, though able, no longer receive a TANF grant. These families qualify only for Child Safety Net payments which go directly to a contracted third party who assures that the funds are used to meet the basic needs of children in the family. The payment is equal to 60 percent of a full TANF grant.

The five-year time limit does not apply to cases where only a child receives assistance. Nor does it apply to Native American families living on tribal land where at least half of the adults are unemployed. As well, the Legislature provided that up to 20 percent of the caseload could be exempted from the five-year time limit for reasons of hardship or family violence.

The state also has a Diversion Cash Assistance program to provide one-time cash grants of up to \$1,500 to help WorkFirst eligible families avoid the need for ongoing public assistance. The money may pay for rent, utility bills, transportation costs, employment-related expenses, food, medical care and child care. DSHS reports that only 21 percent of families who receive cash grants go on to receive TANF within a year.

Other features:

- Subsidized child care for families with incomes under 200% of the Federal Poverty Level (FPL) through the Working Connections Childcare Program.
- Paid work and training opportunities for participants with limited education and work experience through the Community Jobs Program.
- Job skills training for participants and other working parents with incomes under 175% FPL through the Customized Job Skills Training Program.
- Tuition assistance for participants and other working parents with incomes under 175% FPL.
- Other available assistance includes workplace basic skills training, job search services, funding for transportation, work clothing, professional fees, and testing fees.

Results

- The number of families on welfare in Washington has dropped more than 50 percent – from more than 100,000 in 1994-1995 to less than 50,000 in June 2007.
- More than 175,000 parents have left welfare and stayed off since WorkFirst began. The proportion of people now on welfare in Washington is at its lowest point in over 40 years - 1.8%.

Current Status

TANF was created as a block grant to the states, rather than as ongoing federal payments tied to caseloads, as in Medicaid. The federal Deficit Reduction Act of 2005 reauthorized the TANF program for five years. This reauthorization resulted in new federal requirements that states must comply with or risk loss of federal funds. The most significant changes were to the definition of allowable work activities, increased work participation requirements, and work activity verification and supervision requirements.

When the requirements were released in 2006, Gov. Gregoire criticized the federal government for imposing what she felt were harsh new regulations and reducing states' flexibility in designing their welfare programs. Less than one year later and after implementation of the new federal requirements, the Governor issued a press release on the success of the TANF program. She specifically noted that the number of people on welfare was at its lowest level since 1967, and that the program was successful in helping families break the cycle of poverty.

In 2007, SB 6016 was signed into law which allows a parent with a child under the age of one to be exempt from participating in specified activities (except as would be required to participate in mental health, drug, or alcohol treatment if indicated on their comprehensive evaluation). This exemption is limited to a maximum of 12 months over the parent's lifetime. Many feel that this policy is unfair to mothers who are not on welfare and go back to work within months of having a baby in order to support their family. Increasing exemptions from work activity requirements also puts our state at risk of not meeting participation requirements and thus losing federal funding.