What Does a Successful Welfare Program Look Like in an Era of Rising Poverty and Unemployment?

There are two opposing lenses through which to view the success or failure of a state’s implementation of the federal Temporary Assistance for Needy Families (TANF) program, more commonly known as “welfare.” One view finds success in increased work participation rates achieved through a drastic reduction in numbers served. This is difficult, if not impossible, to square with the reality of 300,000 families in Georgia living below the poverty line.\(^1\) The other view looks to the percentage in the program of those in poverty contrasted with the unemployment and poverty rates of the state. The former view was the structure built into TANF when the block-grant program was created in 1996, part of the popular welfare reform movement that replaced the Aid to Families With Dependent Children.\(^2\) The basic structure of TANF has come under fire in recent years as the number of enrollees in some states - including Georgia - continues to shrink while poverty levels and unemployment rates have increased during the recession and the number of people receiving assistance through the Supplemental Nutrition Assistance Program (SNAP) has skyrocketed.\(^3\) In Georgia, the price of “succeeding” under the current TANF structure has been borne by thousands of families whose efforts to obtain assistance amounting to less than twenty percent of the poverty level have been stymied by continuous and systematic deterrence.

The fundamental difference between SNAP and TANF that explains the rise in one and the decrease in the other is that SNAP is supported by open-ended funding.\(^4\) Everyone who qualifies for the program is given the benefit.\(^5\) As a result, federal SNAP spending has increased

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\(^4\) Id.
\(^5\) Id.
from $33 billion before the recession to $76 billion in 2011, serving an estimated 20 million more people.\textsuperscript{6} In all, about 46 million Americans receive an estimated average of about $125 per month in SNAP assistance.\textsuperscript{7} TANF, on the other hand, is a block grant with a fixed amount of money set aside annually and given to states.\textsuperscript{8} The level was set in 1996 at about $16.5 billion per year and has not changed or been adjusted for inflation since.\textsuperscript{9} As a result, most states now provide benefits of less than thirty percent of the poverty rate to those that do qualify for the program.\textsuperscript{10}

In Georgia, the total number of TANF cases remained steady at about 53,000 from 1999-2004.\textsuperscript{11} This represented serving about thirty percent of families with children in poverty in Georgia during those years.\textsuperscript{12} In 2005, two things happened that drastically redefined Georgia’s TANF program throughout the recession. The first was that Beverly “B.J.” Walker was hired as the Commissioner of Human Resources from the city of Chicago, where she had streamlined government operations and reduced Illinois’ welfare rolls by more than half in three years.\textsuperscript{13} The second was the Deficit Reduction Act (DRA) of 2005, which increased to fifty percent the proportion of TANF recipients who would have to meet work activity requirements.\textsuperscript{14} Over the next six years, the state reduced its TANF caseload from about 54,000 total cases to 20,709, a decline that meant assisting only eight percent of families with children in poverty, the fourth-

\textsuperscript{6} Id.
\textsuperscript{8} Prah Why Are Welfare Rolls Flat, While the Food Stamp Economy Grows Rapidly?
\textsuperscript{9} Id.
\textsuperscript{10} Greg Kaufmann, This Week in Poverty: Welfare Reform - From Bad to Worse, The Nation (March 9, 2012, 8:54 AM), http://www.thenation.com/blog/166705/week-poverty-welfare-reform-bad-worse#.
\textsuperscript{11} Danilo Trisi & LaDonna Pavetti, TANF Weakening as a Safety Net For Poor Families, Ctr. on Budget & Pol’y Priorities (March 13, 2012), http://www.cbpp.org/files/3-13-12tanf-data.xlsx.
\textsuperscript{12} Id.
\textsuperscript{13} Neil DeMause, Georgia’s Hunger Games, Slate Magazine (Dec. 26, 2012, 4:00 AM), http://www.slate.com/articles/news_and_politics/politics/2012/12/georgia_s_war_against_the_poors_the_southern_state_is_emptying_its_welfare.html.
\textsuperscript{14} Sharon Parrott, ET AL., Implementing the TANF Changes in the Deficit Reduction Act, Ctr. on Budget & Pol’y Priorities (Feb. 9, 2007), http://www.cbpp.org/cms/?fa=view&id=1176.
lowest rate in the nation. During the same period, the number of Georgia families with children living in poverty increased by forty-five percent, to 275,000. In a 2008 column, Walker touted the low rolls as a sign of success, comparing the 27,192 adult-only welfare cases when she took over the office in 2004 to the 2,297 cases in 2008.

In recent years, Georgia has drawn media attention for its reportedly heavy-handed and onerous application process, cited as a primary method of keeping applicants from enrolling in TANF. Walker was remembered handing out Zero bars to department employees to demonstrate the number of desired enrollees in TANF and applicants received flyers saying, “TANF is not good enough for any family,” in addition to state employee’s reportedly verbally denigrating applicants. Counties responded to growing pressure to reduce their TANF rolls in varying ways. Reports have found numerous instances of TANF applicants being turned away or dissuaded from finishing the application process with false information, such as being unable to apply when pregnant or child age limits under fifteen years old. Other issues have included more than a month-long wait to meet with an initial caseworker. These types of administrative hurdles to potential TANF recipients are difficult to quantify and are often unreported, though the time period of such reports correlates to the drastic reduction in the number of people enrolled in TANF.

An analysis of data in 2006 by Liz Schott of the Center for Budget and Policy Priorities found that new administrative procedures in individual counties was a primary factor in the sharply declining TANF enrollment. Two-thirds of all denials were due to either a withdrawal

15 Trisi, TANF Weakening as a Safety Net for Poor Families.
16 Id.
18 deMause, Georgia’s Hunger Games.
19 Id.
20 Id.
22 Id.
23 Liz Schott, Georgia’s Increased TANF Work Participation Rate is Driven by Sharp Caseload Decline, Ctr. on Budget & Pol’y Priorities (July 17, 2006), http://www.cbpp.org/cms/?fa=view&id=153.
of the application or a failure to cooperate with the new procedures. Only seven percent of applicants were denied because their income exceeded the program’s minimum. Schott found that “this increase in “voluntary withdrawals” appears related to a new emphasis on discouraging applicants from following through on their application for aid.” Of the applicants denied for failure to cooperate, Schott found an increase in the activities required before an applicant is approved, such as multiple orientation meetings and job search requirements even before an application was approved. Surveys of TANF applicants found that more than two-thirds of respondents had witnessed indications of activities during orientation meetings that resulted in applicants withdrawing from the program prematurely. There were also reported instances of applicants with an inability to work due to a documented disability being told they could not apply for TANF because they could not work as well as pregnant women being incorrectly informed that they must wait until their baby was born to apply for TANF. Some respondents reported witnessing families being told that if they applied for TANF they might be investigated by child protective services for being unable to meet their children’s needs.

In 2012, Georgia passed House Bill 861 (HB 861) that requires parents who apply for TANF to pass a drug test to receive benefits. The test’s cost of at least $17 was to be paid by the applicants and would not be refunded if the applicant passes the drug test. However, Georgia officials postponed implementing the law pending a decision in Lebron v. Secretary, Florida Department of Children and Family Services. In Lebron, the American Civil Liberties Union (ACLU) contested a similar Florida law that requires TANF applicants to pass and pay for a drug test before receiving benefits. The ACLU argued the requirement was an unreasonable

24 Id.
25 Id.
26 Id.
27 Id.
28 Id.
29 Id.
30 Id.
32 Id.
search under the Fourth Amendment.\textsuperscript{34}

On Dec. 31, 2013, the U.S. District Court in Orlando struck down the Florida law, finding it unconstitutional. In her opinion, Judge Mary S. Scriven wrote, “The court finds there is no set of circumstances under which the warrantless, suspicionless drug testing at issue in this case could be constitutionally applied.”\textsuperscript{35} This followed a temporary injunction that had been upheld by the U.S. Court of Appeals for the Eleventh Circuit in Atlanta in 2011.\textsuperscript{36} The Eleventh Circuit found that suspicionless drug testing would only be constitutional in “very limited and exceptional circumstances” demonstrating “substantial special needs.”\textsuperscript{37} The court found such a need was not met in drug testing all Florida TANF applicants because “there is nothing inherent to the condition of being impoverished that supports the conclusion that there is a ‘concrete danger’ that impoverished individuals are prone to drug use.”\textsuperscript{38}

Though a 2003 decision struck down a similar Michigan law, nine states, including Georgia, have passed laws requiring drug testing of TANF applicants since 2011.\textsuperscript{39} Though the court’s decision will likely stop implementation of HB 861 in Georgia, it is unlikely to end all such attempts to test TANF applicants. In Utah, applicants are screened to identify likely drug users and then those users are tested before being enrolled in TANF.\textsuperscript{40} Tarren Bragdon, the chief executive of the Foundation for Government Accountability, a conservative health care and welfare policy group in Florida, told the New York Times following the ruling, “The decision is not that you can’t drug test applicants. It’s that you can’t blanket drug test all of them.”\textsuperscript{41} Bragdon predicted that states would now adjust previous laws in similar ways to pass constitutional muster.\textsuperscript{42}

The increased Work Participation Requirement (WPR) in the 2005 DRA provided an

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\textsuperscript{34} Id.  \\
\textsuperscript{35} Id.  \\
\textsuperscript{36} Lebron v. Sec’y, Fla. Dep’t of Children & Families, 710 F.3d 1202, (11th Cir. 2013).  \\
\textsuperscript{37} Lebron, 710 F.3d at 1206, 1207.  \\
\textsuperscript{38} Lebron, 710 F.3d at 1213.  \\
\textsuperscript{39} Robles, Florida Law on Drug Tests For Welfare is Struck Down.  \\
\textsuperscript{41} Robles, Florida Law on Drug Tests for Welfare is Struck Down.  \\
\textsuperscript{42} Id.
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additional incentive for some states to reduce their welfare rolls in order to meet the new
requirements. Only eight states met the WPR in 2009, the last year for which numbers are
available: Georgia, Idaho, Mississippi, Montana, Nebraska, North Dakota, South Dakota, and
Wyoming. States that cannot meet the requirement are able to change the calculation by
receiving a caseload reduction credit, typically through “maintenance-of-effort” (MOE)
requirements. Since 2005, states have increasingly found third-party and non-governmental
money to account for their MOE, which is supposed to make up the state’s contribution to TANF
recipients. In finding and reporting third-party funds to make up their MOE, some states,
including Georgia, are able to actually decrease the amount of state money spent on TANF
recipients while reporting an increase in overall spending on the program.

In testimony before the House Ways and Means Subcommittee on Human Resources in
2012, Dr. LaDonna Pavetti, Vice President for Family Income Support Policy at the Center on
Budget and Policy Priorities stated, “Congress clearly did not intend to allow states to spend less
on services for needy families than they did before TANF’s creation by using third-party
spending to replace state spending.” Pavetti cited Georgia as an example of a state with a
model WPR under the TANF program that is not consistent with the societal goals of welfare
reform. The only large state in the group of eight states that met the WPR, Georgia went from
serving eighty-two percent of families in poverty at the beginning of welfare reform in 1996, to
serving eight percent in 2009. Pavetti found the TANF process to be faulty as a measuring
tool. “States are rewarded for serving the families most capable of meeting the work
participation standard, not for serving those who could most benefit from the assistance TANF
can provide,” she said. “The end result is that the most vulnerable families are left without a

43 Pavetti, State Spending Requirements in the Temporary Assistance for Needy Families (TANF) program and the
44 Id.
45 Id.
46 Id.
47 Id.
48 Id.
49 Id.
50 Id.
51 Id.
safety net and the help they need to make progress towards becoming self-sufficient. This is not what welfare reform intended, nor will it help us make progress in increasing employment among single parents even more.” In Clarke County, one of the most poverty-stricken counties in Georgia, there are only a total of about 575 TANF cases among the estimated 37,000 people who live below the poverty line and nearly 20,000 SNAP recipients.

Pavetti, who spent sixteen years studying welfare and welfare reform, cited Washington state and California as states with low WPR rates that belie the success of their programs. In Washington, two-thirds of single mothers (the group most served by TANF) are employed, a rate higher than thirty-eight other states. In California, sixty percent of single mothers were employed. In addition to increasing the federal monetary commitment to TANF, Pavetti recommended reworking WPR to measure several factors not currently considered: the share of single mothers who are employed; the ratio of TANF recipients in work activities to unemployed single mothers in the state; and the ratio of TANF cases to the number of families in poverty. Using these measures, Pavetti found that, “WPR fails to adequately measure whether states are meeting the primary goal of welfare reform: increasing employment while providing a safety net for families unable to work.”

In extending the TANF block grants in 2012, Congress did not change the WPR formula and instead removed supplemental funding that went to some of the poorer states in the country, including Georgia. Speaking with The Nation, Jack Frech, who runs the TANF program as the director of the Athens County Department of Job and Family Services in Appalachian Ohio, said,

52 Id.
55 Id.
56 Id.
57 Id.
58 Id.
Neither political party is showing any interest in tackling this problem because both parties have hung their hat on this whole idea that welfare reform was a success. You can’t have millions of children living in extreme poverty and call your family support income system a success. The TANF program is only for families who have children, yet you intentionally give them an income that you know is at best half of what they need just to live above the poverty line. I can’t think of any other public policy in America that is more intentionally harmful to children that the TANF program, and I run the program here.”

Supporting Frech’s position was a 2012 study published by the University of Michigan’s National Poverty Center which found that the number of U.S. households living on less than two dollars per person, per day, a measurement used to determine poverty in developing countries, had increased by 130 percent from 636,000 in 1996 to 1.46 million in 2011. The study identifies this increase in extreme poverty as a consequence of welfare reform and TANF on American with the lowest income. The study found that “despite the presence of a substantial in-kind safety net, a significant number of households with children continue to slip through the cracks.” The increase in SNAP benefits in recent years, if translated into dollars, kept about 1.4 million children out of extreme poverty.

The report stated, “it would be wrong to conclude that the U.S. safety net is strong, or even adequate, when one in five poor households with children are living without meaningful cash income.” Similarly, it is difficult to examine the current state of Georgia’s TANF program as a resounding success when enrollment numbers decline below 20,000 while 300,000 families in Georgia live below the poverty line. If the goal of TANF is to assist needy families in moving from welfare to work, then arbitrary workforce requirements that reward percentages, taking no account of the actual number of families assisted, fail as a legislative incentive. Unless

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60 Kaufmann, *This Week in Poverty: Welfare Reform - From Bad to Worse.*
62 Id.
63 Id.
64 Id.
65 Id.
the structure of TANF is changed, states will continue be rewarded not for assisting the families in the most dire need, but for serving only those families who are the most likely to quickly find employment. Far from being a model for the ballooning SNAP program, the current TANF block-grant program is a solution to a problem that does not currently exist: declining poverty rates.