Bringing the Organization Back In: The Role of Bureaucratic Churning in Early TANF Caseload Declines in Illinois

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Bringing the Organization Back In: 
The Role of Bureaucratic Churning in Early 
TANF Caseload Declines in Illinois 

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Welfare reform legislation in the late 1990s lead to rapid declines in 
state welfare caseloads. In contrast to prevailing accounts that em-
phasize rapid job creation and those that pin caseload declines on suc-
cessful work incentives and behavioral sanctions, this article argues 
that organizational rationing mechanisms explain a large portion 
of the sharp initial declines in Illinois. The article first highlights 
how street-level bureaucratic practices oriented toward caseload re-
duction arose in TANF implementing bodies from a reordered and 
narrow set of organizational incentives that had little to do with the 
symbolic goals of welfare reform. Based on an analysis of state-level 
administrative statistics and formal interviewing and fieldwork in 
welfare offices and community-based organizations, this article 
finds that bureaucratic churning, gate-keeping, and other forms of 
service rationing significantly sped exits from and slowed entrances 
to welfare in the decisive first three years of TANF implementation. 

Key words: welfare reform, poverty, organizations, policy imple-
mentation, churning 

The Personal Responsibility and Work Opportunity 
Reconciliation Act (PRWORA) initiated a fundamental reor-
ganization of the U.S. welfare system away from entitlement-
based assistance and towards time-limited, work-oriented tem-
porary assistance. Replacing Aid to Families with Dependent 
Children (AFDC), the new Temporary Assistance to Needy 
Families (TANF) block grant aimed to foster self-sufficiency
and personal responsibility and end long-term welfare dependency among the welfare poor. Since implementation began, welfare caseloads, to the astonishment of observers across the political spectrum, have dropped at unprecedented rates. According to the Administration for Children and Families, the total family caseload in Illinois decreased from 188,069 in July 1997 (Administration for Children and Families [ACF], 2008a), the first month of TANF implementation, to 72,175 in July 2000 (ACF, 2008b), a remarkable decrease of 115,894 or 61.6 percent, in three years. As of March 2008, the total number of families receiving TANF cash assistance was 24,559, a startling 86.9% reduction from the initial TANF figure (ACF, 2008c). ACF lists Illinois as third, behind only Oklahoma and the District of Columbia, in caseload reduction percentage since enactment (ACF, 2008c).

Post-TANF literature reviews point inconclusively to the policy changes of welfare reform, non-welfare policy changes, the sustained economic expansion, and interaction effects as reasons for the caseload reductions, and note the wide variation across the literature in regards to which causal factors are emphasized (Bell, 2001; Blank, 2002; Danziger, 1999; Primus et al., 1999). Some studies have emphasized the relative importance of economic over policy-related factors (Klerman & Danielson, 2004; Klerman & Haider, 2004). Many studies of the post-TANF era, however, contend that policy-related changes played a more significant role in the accelerated caseload decline of the late 1990s (Moffitt, 1999, 2001; Schoeni & Blank, 2000; U.S. Council of Economic Advisors, 1997, 1999).

Conservative commentators have argued that caseload declines are the result of rigorous policy changes that demand more from the poor. Rector and Youssef (1999) and Michael New (2002, 2006) claim that the strength of state sanctioning policies played a much larger role than the strength of the state economy and state TANF benefits levels in forcing caseload numbers down. Likewise, Robert Moffitt (2003) argues that nonfinancial factors, including work and other requirements, sanctions, and diversion were primary causal forces in caseload reductions. And to explain caseload declines in Wisconsin, Lawrence Mead (1998) concludes that the “main instrument of change” was “public authority” and concluded, “politics, not
economics, remains the master science” (p. 31).

The post-TANF welfare system of the late 1990s was also characterized by a broader array of work supports, including childcare and transportation support, the delinking of Medicaid from cash assistance, expansion of the Earned Income Tax Credit, and an increase in the federal minimum wage to $5.15 per hour in 1997. These policy factors have received less attention as possible determinants of TANF caseload declines, in part because of the complexity of measuring their effects. For instance, in evaluating the EITC as a positive work incentive, economic studies have found that the EITC increases labor force participation (Dickert, Hauser, & Scholz, 1995; Eissa & Hoynes, 2005; Eissa & Liebman, 1996; Liebman, 2002; Meyer & Rosenbaum, 1999, 2000). However, these studies are able only, as one study puts it, to “imply a reduction in transfer program participation” (Dickert et al., 1995, p. 42).

As Bell (2001) notes, none of these studies have been able to convincingly “tie caseload declines to individual welfare reform components” (p. ii) such as time limits, work sanctions, earning disregards, work requirements, family caps, tightened work exemptions, or related non-welfare policy changes. Even tentative findings of strong policy influence have later been called into question by new methods, models, and assumptions. Important as they are, these studies ought to be considered “first-level analyses” (p. 59) because they are limited by methodological constraints, including their reliance on aggregate state-level data and key modeling assumptions.

Despite problems pinning down the reasons, TANF implementation clearly has had a dramatic impact on welfare caseloads independent of the sustained economic expansion of the late 1990s and non-TANF policy changes. My argument asserts that the reason analysts cannot specify the policy factors that drove caseload decline is because critical policy differences between states and localities cannot be easily coded and modeled. As such, prevailing evaluative models, useful as they are, overlook the street-level mechanisms of the policy implementation process that helped to produce these dramatic results.

In this article I employ a mixed methods approach to the puzzle of the rapid, early caseload declines in Illinois. I
examine state-level administrative statistics for a broad overview of caseload movement and then draw upon two years of ethnographic fieldwork and interviewing in community-based, welfare-to-work organizations and local area welfare offices to examine the initial period of TANF implementation from 1997 to 2000. In my research I attended a month-long, full-day welfare-to-work program in two community-based organizations (CBOs), attended one year of meetings of CBO leaders at the Chicago Jobs Council, and interviewed twelve caseworkers and mid- to high-level administrators at the Illinois Department of Human Services (IDHS). Additionally, I conducted 20 formal, in-depth interviews with low-income women in their homes after the welfare-to-work programs we attended were complete. Likewise, in informal conversations during small group outings to McDonald’s, the welfare office, or on errands to K-mart, participants reflected on their experience of welfare reform with each other and with me. During this two-year period, I also interacted with welfare-to-work participants and service deliverers as an adult literacy volunteer in the two CBOs I studied. This mixed methodology highlights the limitations of conventional policy analysis that relies on testing the discrete “inputs” and “outputs” of policy. By “bringing the organization back in,” my analysis provides a unique vantage point from which to view the “black box” of implementation; that is, how policy results are achieved by and in organizations.

In this article I first contend that it is necessary to examine organizational incentives and rationing mechanisms to understand fully how TANF caseloads dropped in such remarkable numbers in such a short period of time. In this first section I demonstrate how PRWORA reordered organizational and individual incentives at IDHS, local area welfare offices, and community-based organizations. Though based on high rhetoric of improving the character and circumstances of the poor, implementing this vision required dramatic simplifications to make the welfare poor “legible” to the state. These simplifications set welfare reform on a particular trajectory that ignored the complexities of the lives of the poor and set the bureaucratic mechanisms of reform in motion, searching out the most efficient means to achieve its narrow ends. I then examine the
initial phases of TANF implementation in Illinois and demonstrate that welfare recipients were shed from cash assistance rolls largely through bureaucratic churning, gate-keeping, and other forms of service rationing that sped exits from and slowed entrances to TANF. These organizational processes, because they are difficult to quantify, go largely unmeasured in most analyses of TANF caseload declines. This analysis, then, entreats welfare scholars to consider how the state “saw” the poor during the initial reform and how its implementing bodies made this vision a reality at the street-level. Further, it questions arguments that claim women left the rolls because of increased income or because they had learned the “moral lessons” of PRWORA. Finally, I discuss the social implications of welfare reform for low-income women and children given how caseload declines were achieved.

The Post-PRWORA Organizational Incentive Structure: IDHS, Local Area Offices, and Community-Based Organizations

Though based on ideals of improving the character (for conservatives) or circumstances (for liberals) of poor people, welfare reform was ill-equipped to address either. If taken seriously, the goals of welfare reform are utopian in scope, assuming a transformative power of the state to reengineer the poor into self-sufficient, responsible, obedient, and, consequently, upwardly mobile subjects. As James C. Scott argues in Seeing Like a State, such sweeping ambitions for the nation-state have emerged only recently historically, but are now commonplace (Scott, 1998, p. 92). These bold interventions, however, require massive simplifications so the target population is “legible” to state officials. “Seeing like a state” necessitates the creation of abridged maps that do not “successfully represent the actual activity of the society they depicted, nor were they intended to; they represented only that slice of it that interested the official observer” (Scott, 1998, p. 3). These maps, when allied with state power, allow the reality they depict to be remade in a particular way. In the case of welfare reform, the complexities of the lives of the welfare-reliant poor were ultimately seen by the state in the narrow terms of work participation rates
and caseload reduction quotas. These abridged maps and their corresponding performance metrics and incentives set TANF implementing bodies searching out the most efficient means to achieve their narrow ends.

Though PRWORA devolved power to states, it set out rigorous objectives concerning work participation rates and caseload reductions that redefined the incentive structure for the Illinois Department of Human Services, local area welfare offices, and community-based organizations. In 1997, the first year of implementation, 25 percent of the TANF caseload had to be participating in “employment-related activities” for a minimum of 20 hours per week. A state could have its allocation of federal funds reduced if it failed to meet work participation rates. There was, however, an important way in which states could significantly lower these requirements. For every percentage point a state lowered its TANF caseload, a percentage point was taken off the work participation rate requirement. That is, if a state lowered its caseload 15 percent in the first year, it lowered it work participation rate requirement from 25 percent to 10 percent. The law demanded, therefore, that states either put a certain percentage of their caseload to work or reduce their caseload by so many percentage points, which counted as the same thing. The legislation, therefore, posed a rather straightforward choice for state and local welfare administrators: do something that is onerous and expensive (prepare low-skilled, mostly single mothers for work and place them in jobs) or something that is quick and inexpensive (canceling cases through tightening and strictly enforcing eligibility rules and other rationing methods).

In the 1990s community-based organizations were entrusted with a much broader role in the delivery of welfare-to-work services (Salamon, 1995). Their close involvement with state welfare administrations, however, has circumscribed their organizational autonomy and has aligned their organizational interests with those of the state (Smith & Lipsky, 1993). While some states paid CBOs on a cost-reimbursement basis, in Illinois there was a dramatic move toward “pay-per-performance” or “performance-based” contracting in the 1990s. Contracts were designed to hold community-based providers accountable for each client referred to them and to ensure that
they were “responsive to IDHS’s quotas and demands,” according to the IDHS administrator in charge of state contracts with CBOs. Providers that “billed out”—that met all of the terms of their contract by placing people in jobs or at least getting them off the rolls—were preferred and given more referrals. In the initial years of implementation, IDHS revised contracts each year to include less funding for longer-term services (e.g., adult literacy, mental health counseling, domestic violence programs, substance abuse programs) and more for “quick attachment” or “work first” job readiness programs. And since IDHS writes, arbitrates, and monitors its contracts with CBOs, service providers had little bargaining power. With these incentives in place, both sets of actors had an organizational stake in cycling welfare recipients quickly through welfare-to-work channels, rather than educational or social service providers, to meet statistical and financial demands as defined under PRWORA. In one Chicago survey, for instance, only one of 358 non-working welfare clients was referred to a domestic violence agency, while 164 were sent to job search workshops. Only eight were referred to substance abuse programs and two to mental health services, while 113 were sent to job readiness skills training workshops (Work, Welfare, & Families, 2000).

The incentive structure established under PRWORA, therefore, was designed to trim caseloads regardless of whether or not welfare recipients were moving toward economic self-sufficiency. The symbolic ideals of personal responsibility and self-sufficiency served the implementing bodies well in public relations efforts touting welfare reform’s “success stories.” But those ideals remained abstractions to organizational actors at the state and street-levels attempting to meet the immediate and tangible demands of caseload reduction and work participation rate goals, and to community-based organizations attempting to “bill out” and survive under the bold new system. These organizational incentives and processes have been largely neglected in the academic and political discourse on TANF implementation.
Illinois Caseload Reductions and Bureaucratic Churning

The Illinois Department of Human Services, its local welfare offices, and community-based providers began operating under a refashioned set of organizational incentives that guided early implementation and produced dramatic caseload reductions. This section examines IDHS caseload figures from

| Table 1. Activities Affecting Caseload, Illinois Department of Human Services, 1997-2000 |
|---|---|---|---|---|
| Additions | Subtractions |
| July 1997 - June 1998 | Reinstatements | New Approvals | Canceled for Earned Income | Other Cancels |
| Total for Fiscal Year | 91,336 | 41,902 | 43,056 | 119,403 |
| % of Additions/Subtractions | 68.6% | 31.4% | 26.5% | 73.5% |
| Yearly totals | Additions: 133,238 | Subtractions: 162,459 |

Net Illinois caseload reduction for year: 29,221

| July 1997 - June 1998 | Reinstatements | New Approvals | Canceled for Earned Income | Other Cancels |
| Total for Fiscal Year | 95,218 | 27,443 | 53,929 | 116,586 |
| % of Additions/Subtractions | 77.6% | 22.4% | 31.6% | 68.4% |
| Yearly totals | Additions: 122,661 | Subtractions: 170,515 |

Net Illinois caseload reduction for year: 47,854

| July 1999 - March 2000 | Reinstatements | New Approvals | Canceled for Earned Income | Other Cancels |
| Total for Period | 34,322 | 16,789 | 31,823 | 39,771 |
| % of Additions/Subtractions | 67.2% | 32.8% | 44.4% | 55.6% |
| Period totals | Additions: 51,111 | Subtractions: 71,594 |

Net Illinois caseload reduction for period: 20,483

NOTE: Author's calculations based on data from the Illinois Department of Human Services (IDHS 2000). These figures vary slightly with those referenced above from the Administration for Children and Families.
Bringing Organization Back In

July 1997 to March 2000 and shows that the stunning declines were to a large extent the result of bureaucratic churning—an organizational dynamic set loose by policy reform, but largely overlooked in prevailing approaches that test the impact of state differences in program rules on TANF declines.

The IDHS administrative data presented in Table 1 shows a net reduction of 29,221 cases in the Illinois TANF caseload in the first year of implementation. The work-related closings—those canceled for earned income (43,056)—were nearly the same as new approvals (41,902) in the first year. This equivalence suggests that labor force participation levels were steady among poor single mothers in Illinois during that year and also that TANF diversion strategies were not yet in place at local offices on the entry end. “Other cancellations”—denoting a recipient who was removed from the rolls for reasons other than an increase in her income, often for “noncooperation”—made up the vast majority of cancellations. The net difference between these administrative case closings (119,403) and the number of cases reinstated (91,336) accounts for almost the entire caseload reduction in the first year of 29,221 (IDHS, 2000). The figures in Table 1 show that administrative case closings and subsequent reinstatements—an organizational process I call bureaucratic churning, examined in the subsequent section—were very common in the initial three years.

Notably, churning from the rolls increased when local welfare offices were under yearly performance pressure. In June 1998, the last month of the first year of welfare reform, administrative case closings shot up to an unprecedented 16,949, 70.3 percent above the average monthly cancellation rate for the year (9,950). The first two months of TANF implementation also show high levels of administrative case closings: 15,140 in July 1997 and 11,069 in August 1997. The other high cancellation month was May 1998 at 10,974, suggesting that local offices were gearing up to meet yearly performance measures in the penultimate month of the fiscal year (IDHS, 2000).

Cycling in and out of welfare is a well-documented and long-standing phenomenon (Bane & Ellwood, 1986; Edin & Lein, 1997; Harris, 1996; Pavetti, 1993). Cycling, however, implies some volition on the part of the welfare recipient, and the time scale considered in these studies is much longer,
typically years. In bureaucratic churning, which might be considered an accelerated and organizationally imposed form of cycling, cancellations and reinstatements happen quickly, often within a week. And while welfare-reliant women were churned off the welfare rolls pre-TANF, caseload data show that churning accelerated dramatically after the implementation of TANF in July 1997, as Table 2 indicates. Even as the TANF caseload shrank post-reform, the absolute number of case cancellations and reinstatements increased. Consequently, the percentage of women on the welfare rolls being forced to cycle increased dramatically.

Table 2: Pre- and Post-TANF Comparison of Churning

<table>
<thead>
<tr>
<th>Year</th>
<th>Cases Discontinued as % of Total Caseload</th>
<th>Cases Approved/Reinstated as % of Total Caseload</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>42.1%</td>
<td>45.4%</td>
</tr>
<tr>
<td>1995</td>
<td>49.4%</td>
<td>44.9%</td>
</tr>
<tr>
<td>1996</td>
<td>63.5%</td>
<td>53.3%</td>
</tr>
<tr>
<td>1997</td>
<td>95.3%</td>
<td>71.1%</td>
</tr>
<tr>
<td>1998</td>
<td>108.2%</td>
<td>86.5%</td>
</tr>
<tr>
<td>1999</td>
<td>142.4%</td>
<td>100.5%</td>
</tr>
</tbody>
</table>

NOTE: Author’s calculations based on September figures from each year using several sources (ACF, 2008d; IDHS, 1998b; IDHS, 2000).

The Chicago-based National Center on Poverty Law (NCPL), which conducted an intensive study of caseload reductions during TANF’s first two years, wrote the following:

There is a disturbing trend of aid terminations for disciplinary reasons ("noncooperation" of one kind or another). About 8,000-10,000 cases per month are cut off for one of these reasons. Around 70 percent of these are reinstated ... but this still leaves about 2,000-3,000 monthly disciplinary terminations that are not. (*Illinois Welfare News*, 1999a)

Cherlin, Bogen, Quane, & Burton (2002) found similar
results in their Chicago survey. Sixty-two percent of their respondents who had been canceled for missing an appointment—which was the most common official cause—later had their benefits reinstated. In fact, many TANF cases were canceled and reinstated multiple times in a single year. Indeed, as Table 1 shows there were 235,989 administrative case closings in the first two years of TANF implementation, significantly higher than the entire Illinois caseload at the beginnings of the reforms: 188,069. In large part because of the extensive use of bureaucratic churning, then, the Illinois TANF caseload was cut in half in less than three years as low-income women were shed from the rolls largely for reasons other than "earned income."

Speeding Exits, Shedding Clients: Bureaucratic Churning from a Street-Level Perspective

To look inside the "black box" of the implementation process (Palumbo & Calista, 1990) that produced these stunning policy outcomes in Illinois, this section examines TANF implementation from the perspective of IDHS administrators, local area office managers and caseworkers, and welfare recipients. As Michael Lispky (1980) writes, policy implementation analysis must start "from an understanding of the working conditions and priorities of those who deliver policy" (p. 25), and, likewise, of policy's targets. I have examined in the previous sections the post-PRWORA organizational incentives as they emerged from the simplifications of modern statecraft and the statistical results in the Illinois TANF caseload, and will now examine the street-level processes that sped welfare exits to achieve those results.

Administrative case closings were a central determinant of caseload declines in Illinois, especially in the decisive early years of implementation. And central to the administrative case closing was what local offices termed a "call-in." Welfare caseworkers would "call-in" their entire case list, usually not by phone but by mail, for a case redetermination, which often entailed completing and signing a Responsibility and Services Plan (Cherlin et al., 2002, also notes this process in Chicago). If a welfare recipient missed the appointment scheduled in
the letter, refused to answer caseworker questions, or failed to attend the mandatory work program to which they were assigned, her case could be canceled for noncompliance. This call-in process (a form of bureaucratic churning) was a standard practice in local offices and led to the majority of disciplinary cancellations.

At meetings at the Chicago Jobs Council (CJC), the umbrella organization for welfare-to-work CBOs in Chicago, administrative case closings were a major topic of discussion during the first two years of TANF implementation. In these meetings directors of these community-based service provision agencies shared and corroborated common anecdotes about women who had their cases canceled because of a missed appointment or for failing to divulge the name and whereabouts of their child’s father. Others noted that women suffering in abusive relationships or from mental illnesses or addictions were also unfairly terminated and not referred to the appropriate social services. Not infrequently, cases would be canceled because a woman was required to be at a workplace, community service location, or CBO work program at the same time she was required to come to the local welfare office for her case re-determination or other appointment. There were also regular complaints about cases taking months to be reinstated, resulting in women missing rent payments and having to find other sources of income.

Furthermore, CBO leaders in Chicago reported that caseworkers had been frequently canceling cases for improper reasons either deliberately or because they misunderstood the new rules. An account published by the National Center on Poverty Law and a report by a Chicago anti-poverty alliance both substantiated the CBO directors’ claims about disciplinary cancellations (Illinois Welfare News, 1999b; Work, Welfare, & Families, 2000). Likewise, Cherlin et al. (2002), one of the few academic studies to countenance this pervasive problem, found that the most common reasons for procedural case closing and sanctions in Chicago, “[were] bureaucratic: missing a meeting or failing to produce required forms or documents” (p. 402).

Though aligned with the state in their interest to cycle welfare recipients quickly through welfare-to-work channels, CBO leaders were critical of administrative case closings, which
they considered unfair to poor women and also against their organizational interest in maintaining a steady stream of TANF clients. The perspective at local welfare offices and among state administrators regarding disciplinary cancellations and churning was quite the opposite. One high-level administrator from the Humboldt Park local area office, “Mary,” spoke enthusiastically about call-ins. Her office was competing with another local area office, Northwest, for the largest TANF caseload reductions among the 26 Cook County local offices. She said the Northwest office had implemented a “serious plan” that had produced “incredible caseload reduction results.” That office’s caseload was reduced from 5,654 on August 12, 1998 to 4,752 a month later on September 12, 1998—a 16 percent reduction in just one month as a result of an aggressive office-wide call-in effort. Mary’s Humboldt Park office achieved similar marked reductions through call-ins, tightened eligibility and instituted tougher procedures and work requirements. She spoke enthusiastically about changes in the welfare system saying “everybody loves this,” “it’s the best thing that’s happened to everybody,” and “it’s the one political thing that nobody can protest.” She said that her staff “is really sold on it”—so much so, in fact, that “it’s not like work.” On bulletin boards around her office, Mary put up cheerful congratulatory, inspirational signs, and colorful graphs comparing local area office performance. Highlighting the Humboldt Park office on one such graph, Mary affixed gold stars (the kind elementary students get on their homework) and backslapping exclamations like, “Excellent work!” She said the environment was now better than in the 1960s and 1970s when “everybody was demanding everything as their right.” Regarding administrative case closings Mary said, “The people who were kicked off for non-cooperation who do not come back must have gotten something else.”

Though the initial response to welfare reform amongst caseworkers was mixed (Bell, 2005; Danziger & Seefeldt, 2000; Morgen, 2001), many expressed concern about the changes that came with TANF. A caseworker I interviewed, “Joe,” who had worked for 25 years in a welfare office on Chicago’s North Side, reported that things were “really bad” in his office. He said that caseworkers felt pressure to kick people off on “any
technicality to look good to their supervisors and the new office administrator, whom he described as a “hawk.” Joe maintained that there were some “real soap opera stories.” One story was about a homeless person who was asked to bring in a tax return from the previous year as proof of having no income. The person could not produce the form and was dropped from the rolls. Canceling a case for non-compliance, whatever the justification, was by far the easiest means, Joe said, for a caseworker to meet the onerous caseload reduction quotas they faced. Supporting this contention, Wendy Pollack, a poverty policy lawyer from the NCPL said at a CJC meeting, “a case cancellation is easier than a redetermination of benefits or a sanction, which involves messy due process.”

In my fieldwork, I found that welfare recipients who had been churned off the rolls on “disciplinary” grounds presented a variety of reasons for not trying to return to welfare. Some indeed had “gotten something else” (i.e., formal or informal work) and had chosen not to return to welfare because they thought they would no longer qualify for cash assistance or because they were too busy with their current job. Several expressed how much they feared the call-ins and the intimidating redetermination interviews that they had to attend every six months since TANF was implemented. While many fought to maintain eligibility, a number of interviewees refused to put up with the heightened hurdles and indignities involved in obtaining and maintaining benefits since the reforms. These women were churned off the rolls.

When it reached low-income women, PRWORA, ostensibly aimed at reengineering the character and circumstances of the poor, had in practice become a one dimensional organizational imperative to shed clients. Welfare reform’s grand vision of reengineering the individual had become operationalized in a “legible and administratively convenient format” (Scott, 1998, p. 3)—the metric of caseload reductions. Implementing bodies consequently mobilized their organizational processes around this narrow measure. As this analysis shows, looking at and inside the organization allows a glimpse beyond policy rhetoric and program rules to the difficult-to-quantify practices—including call-ins, improper cancellations, and bureaucratic hurdles—that sped an unprecedented number of
Slowing Entrances: Gate-Keeping from a Street-Level Perspective

Though bureaucratic diversion is difficult to measure as a causal factor in caseload declines (Mayer, 2000; Mead, 1998), there is a substantial, but often overlooked literature on how organizational mechanisms, even in the absence of policy changes, can be used to adjust the supply and demand of social services at the street-level (Brodkin, 1997; Lipsky, 1980; Prottas, 1979; Weissert, 1994). Given increased autonomy for states and the more rigorous organizational incentive scheme under TANF, there is indeed evidence of substantial organizational change in welfare offices (Hays, 2003; Ridzi & London, 2006) and more caseworker "buy in" (Ridzi, 2004) to reduce rolls in large part by enhancing what Lawrence Mead calls the "hassle" component of welfare reform (Mead, 2002). And just as IDHS employed street-level churning to speed exits from the welfare rolls, it similarly slowed entrances to TANF by implementing new procedural and psychological obstacles on the entry end. Organizational gate-keeping slowed entry by tightening eligibility requirements and erecting new barriers such as responsibility contracts, drug screenings, mandatory child support cooperation, and diversionary workshops. As a result of new procedural hurdles, psychological barriers (e.g., frustration, stigma) to entry and maintenance of cash assistance have likewise increased (Anderson, Halter, & Gryzlak, 2004; Meyers & Lurie, 2005; Zedlewski & Nelson, 2003).

IDHS statistics suggest that local welfare offices were primarily focused on shedding existing welfare recipients from the rolls in its first year. In the second year, however, IDHS began to focus on slowing entrance as well. As Table 1 demonstrates, "new approval" numbers declined dramatically in the second and third years as diversion strategies were implemented. It was common knowledge among welfare managers and caseworkers, community-based organization workers, and welfare recipients that there were increasingly strict procedural obstructions to joining the welfare rolls after TANF. "Gerry," a contract specialist at IDHS, said that IDHS initiated
a "uniform front door policy" with TANF that compelled new applicants to join employment and job search programs for a month or more before they were eligible to receive benefits. Sharon Hays (2003) discusses in ethnographic detail some of the "diversionary workshops" that were established in 20 states in order to "divert' prospective welfare clients from ever completing the process of applying for welfare" (p. 104). Across the U.S., this gate-keeping policy was so effective that David Ellwood, welfare reform advisor to the Clinton administration, said, "It is virtually impossible to get on welfare since the reforms" (Ellwood, 2000). As a result of these new roadblocks, many applicants give up. As "Beverly," the receptionist at a welfare-to-work organization on Chicago's South Side said, "Whatever the welfare people [at IDHS] are doing, it's working; because these women are fed up!"

Indeed, IDHS administrators engendered stigma strategically as a psychological barrier to entering or staying on the TANF rolls. At a public symposium on welfare reform in Illinois, James Dimas (2000), a high-level administrator at IDHS, recounted a story about a woman he saw at a grocery store who was embarrassed to use her food stamps. Of that scene Dimas commented, "That embarrassment is not necessarily a bad thing—because we don't want kids growing up worrying about food insecurity." Dimas repeated this message several times, asserting plainly that IDHS was now promoting social stigma as one of a variety of methods to keep welfare recipients off the rolls. Dimas refashioned food stamps in these statements as a cause of food insecurity rather than an anti-poverty policy designed to alleviate it. Such a position suggests that caseload reductions and cost containment are the agency's primary goals—and that further promoting stigmatization of assistance at the street-level is an effective and inexpensive organizational tactic in achieving those goals.

The dramatic decreases in new welfare approvals in 1998 and 1999 suggest that gate-keeping efforts served to maintain the caseload reductions that had been achieved through administrative churning and earned income cancellations. These findings are consistent with studies emphasizing the importance of lowered rates of entry in overall TANF declines (Acs, Phillips, & Nelson, 2003; Grogger, Haider, & Klerman, 2003;
Moffitt, 2003). Indeed, Moffitt (2003) finds significant diversionary effects for rather mundane street-level variables such as: (1) “having to discuss a plan for getting by off welfare;” (2) being discouraged or hassled; or (3) a recipient being told that she would face a work requirement. The caseload reduction literature in general, however, pays little attention to diversionary tactics and cannot measure adequately their strength in implementation. For example, in Bell’s (2001) review of caseload decline studies, he devotes only one paragraph to this organizational mechanism. As demonstrated in this section, my fieldwork reveals that in official IDHS discourse and in client experience, gate-keeping was an essential mechanism in the production of post-TANF caseload declines in Illinois.

Cases Canceled Due to Earned Income: Evidence of Success or Further Churning?

In its public relations materials, IDHS emphasized aggregate statistics about the number of cases canceled because of earned income. An IDHS press release from 2000 boasted that from July 1997 to May 2000, 134,857 families left TANF due to earned income. As Table 3 indicates this figure is greater than the overall caseload reduction figure of 99,668 from that same time period, but much lower than the number of administrative case cancellations through March 2000: 275,760. The earned income figure, meant to suggest a move to self-reliance, is misleading and provides further evidence of administrative churning of cases.

Table 3. IDHS Welfare Statistics, July 1997 - May 2000

| Cases canceled due to earned income | 134,857 |
| Administrative case cancellations | 275,760 |
| (through March 2000) | |
| Total caseload reduction | 99,668 |

Several factors explain why earned income cancellations were higher than the overall caseload reductions. First, new welfare clients have joined and left the welfare rolls because
of earned income since implementation, thus counting toward earned income cancellations but not toward the net caseload reduction. As Table 1 shows, 86,134 new applications for welfare benefits were approved from July 1997 to March 2000. A portion of these new applicants was later canceled for earned income and has stayed off welfare, reflecting the cycling that has always characterized the welfare system. Second, an existing TANF case could be canceled for earned income and return to the rolls. “Denise,” for instance, who worked seasonally in a catalog distribution warehouse, was disqualified from cash assistance for December and January because her income surpassed the means test. In February, when her hours were reduced and her income declined, Denise returned to TANF. During the subsequent summer she worked selling funnel cakes to downtown tourists and, once again, was forced off the rolls. The next time Denise applied, however, she was referred to a diversionary program and did not return to the welfare rolls. Denise, then, showed up in IDHS statistics as reducing the caseload by one, but showed up twice in aggregate statistics for earned income cancellations. In her case, churning occurs within the “earned income cancellations” category. Though earned income cancellations suggest that more poor women are moving to economic self-sufficiency, this figure is—ironically—artificially inflated by the poor quality, irregular, and seasonal jobs that increase the need to cycle between welfare and work. Before PRWORA it was more likely that she would have continued to cycle on and off welfare; in a new, post-TANF world, Denise, like so many others, was eventually churned off the rolls. The job market failed her both before and after the reforms; what had changed were the organizational processes governing the welfare-to-work dynamic that ended her persistent cycling and left her to the whims of the low-wage labor market.

In addition to finding employment or being diverted from reentry, a woman who was an “earned income cancellation” that did not return to TANF could subsequently be: (1) unemployed and unwilling to reapply because of increased hassles; (2) working part-time or irregularly and qualified for reduced assistance but unwilling to reapply; (3) living outside Illinois; or (4) living with a boyfriend and unemployed. While it is true
that welfare recipients were leaving the rolls because of administrative and earned income cancellations in record numbers, it is important not to assume "they found something," as TANF implementing bodies tended to do, but rather to examine rigorously the jobs data and social implications of the dramatic caseload declines.

Social Implications for Low-Income Mothers and Children

In a 1998 press release, Governor Jim Edgar claimed victory for Illinois welfare reform, calling it a "resounding success" in which poor women were able to "move from dependency and to self-sufficiency" and "appreciate the pride and independence that comes from earning a regular paycheck" (IDHS, 1998a). Likewise, President Clinton celebrated TANF success stories in Chicago in 1999 in a welfare reform town meeting (Hair, 1999). The media have generally adopted the case reduction metric for evaluating welfare reform, while very few media stories have questioned the widespread sanctioning and case cancellations (Schram & Soss, 2001). As this article has demonstrated, caseload reduction and earned income cancellations figures—the evidence most often cited in public relations material—reveal very little about how poor women and children have fared under the reforms. Nonetheless, these tools of statecraft have effectively defined the discourse on welfare reform. In a sense, the simplifications of the state have become the media’s simplifications.

A national survey of leaver studies found that between 51 and 81 percent of welfare leavers were employed. The employment figure was between 39 percent and 53 percent in the four state studies that considered only people who left welfare as a result of disciplinary cancellations. Of the employed, between 57 percent and 87 percent were working at least 30 hours a week. Earnings data from these studies show that, "the average leaver’s earnings are below the poverty level, and most leavers report having incomes that are lower than or similar to their combined earnings and benefits before exit" (Brauner & Loprest, 1999, p. 9). In Illinois, Julnes et al. (2000) found that only 69 percent of leavers were employed at
welfare exit, and, of those, only 37 percent held the same job after one year and a very small percentage earned more than the poverty threshold. Despite these dismal unemployment, job turnover, and income outcomes among welfare leavers in an expanding economy, 80% remained off cash assistance.

The present public policy package for the working poor is significantly more generous than that of the 1980s and pre-reform 1990s. However, bureaucratic churning, gate-keeping, and other forms of service rationing in the initial years of the reforms kept low-income women from receiving many of the supports for which they were eligible (Brauner & Loprest, 1999; Corcoran, Danziger, Kalil, & Seefeldt, 2000; Dion & Pavetti, 2000; Primus et al., 1999; U.S. General Accounting Office, 1999; Zedlewski & Gruber, 2001). An Illinois leaver study that tracked women who left welfare showed that only 40 percent of leavers with childcare costs received help with childcare after leaving (see also Illinois Welfare News, 2000), only 47 percent had Medicaid coverage six to eight months after exit, and 44 percent of welfare leavers experienced food shortages six to eight months after exit (Halter & Anderson, 2000). Another Chicago survey found high levels of hardship amongst working and non-working leavers, including the inability to meet basic expenses. These hardships were especially high amongst disciplinary cancellations (Work, Welfare, & Families, 2000).

These data suggest that churning low-income mothers and children off the welfare rolls in the initial years of welfare reform produced significant hardship. Conservative commentators argue that caseload reductions, regardless of economic success, point to the moral success of the policy reform. Rigorous sanctioning has begun to end chronic dependency and impart valuable moral lessons. Poor women, as Lawrence Mead argues, "warmly appreciated" the "help and hassle" approach of welfare reform that forced them to change (Mead, 2002). However, these arguments rest on the behaviorist assumption that the sanctioning and administrative case closing correspond to a particular deviant or immoral behavior in need of correction—that is, the punitive measure sends a clear moral message to its target. Administrative case closings, however, were predominantly for technicalities like missed
appointments (the blame for which in many cases did not fall on the welfare recipient), a reluctance to comply with child support enforcement or other invasive requests. And as Cherlin et al. (2002) demonstrate, disciplinary cancellations meant to improve moral behavior (e.g., increasing school attendance, child immunizations, and regular medical check-ups) were a miniscule percentage of the cancellations. Instead of imparting comprehensible moral lessons, IDHS used blunt organizational measures to cast off (and keep off) poor women with little regard for individual need.

As Moffitt (2008) concedes, if cancellations target the most disadvantaged women who “cannot organize their lives sufficiently to comply with the rules” (p. 18), then the result would likely be increased hardship rather than a helpful dose of tough love. Several studies have found that in fact the most disadvantaged were the most likely to be sanctioned or cancelled (Cherlin et al., 2002; Pavetti & Bloom, 2001; U.S. General Accounting Office, 2000). The NCPL notes that the “illiterate ... those without reliable mail delivery, the mentally ill or deficient, persons with disabilities in Chicago” are “the most likely not to receive or respond properly to paper notices of meetings and activities, and they are the least able to cope successfully with the bureaucracy to obtain a prompt reinstatement of benefits.” In that vein, the Chicago area had a much higher proportion of cancellations for “non-compliance” than downstate counties for each fiscal year, indicating that bureaucratic churning was more intense in high minority and disadvantaged population areas (IDHS, 2000). An Illinois survey found that Chicago area leavers were three times as likely to cite an administrative case discontinuation as downstate respondents (Julnes et al., 2000). Corroborating this point, Schram, Soss, Fording, and Houser (2009) recently found, using experimental evidence, that caseworkers are far more likely to punish African American benefits recipients for the exact same infractions committed by non-African Americans.

So, rather than Mead’s tough love, “new paternalism” that sternly but fairly instilled a sense of personal responsibility and self-sufficiency into the deviant poor, the post-PRWORA welfare system in its decisive initial phases shed clients, rationed services, and changed the norms and expectations of welfare
receipt through bureaucratic churning, gate-keeping, and other organizational mechanisms. Some low-income women shed from TANF found decent jobs and perhaps learned the moral lessons laid out in the legislation. More often, disadvantaged mothers who had been dropped from the rolls ended up in irregular, low-wage work or unemployed and disconnected from state assistance. While stunning caseload reduction goals have been achieved, there is little evidence that the motivating moral vision of welfare reform—to change the character and to improve the circumstances of the poor—has been reached. Indeed, my argument suggests that given the organizational dynamics set in motion by PRWORA at the street-level, such goals were an impossibility from the beginning.

Conclusion

PRWORA initiated a redefinition of the goals of the state welfare system in Illinois and a concomitant reorganization of its incentive structure. IDHS, local area welfare offices, and community-based welfare-to-work agencies were aligned in their interest to push welfare recipients quickly through welfare-to-work channels and off the rolls and to limit new entries to TANF. As a result, an unprecedented number of poor women left welfare in the first three years of TANF implementation. Using IDHS statistics and ethnographic fieldwork, this article questions claims made by IDHS and others that former welfare recipients moved toward economic self-sufficiency and out of poverty as a result of the reforms. Policy ideals and political rhetoric about instilling personal responsibility and other work-related values were in essence meaningless to IDHS, local offices, and CBOs, which were concerned narrowly with meeting caseload reduction quotas, work participation requirements, and “billing out” goals—objectives that had to be met in order to maintain funding and political legitimacy. These objectives constituted the “abridged map” that the TANF implementing bodies utilized to simplify the complex reality of the welfare poor in order to make them legible targets of policy reform.

Passed in the Deficit Reduction Act of 2005, TANF reauthorization has given street-level implementing bodies more tools with which to reduce caseloads. It narrowed further the
activities and number of hours in job search that count toward weekly work requirements. And with time limits approaching for more welfare recipients, states can chum off more poor women from the roles depending on how they employ exemptions and extensions. Bureaucratic procedures and street-level discretion, therefore, will continue to play a central role in determining the well-being of poor women and children, and therefore ought to be subject to further scrutiny. Prevailing approaches to studying caseload decline, my analysis contends, systematically understate the impact of important policy-related factors like bureaucratic churning because they do not, and likely cannot, measure them.

Further, this analysis suggests we ask the broader question of whether the modern state ought to use its power in such ambitious and invasive attempts to fundamentally transform “every nook and cranny of the social order” (Scott, 1998, p. 92), whether towards a liberal or conservative ideal. While ambitious policies of reengineering and planning have produced many marvels of the modern age, those that seek to change the human person in fundamental ways ask the state to do something that it is ill-equipped to do, and likely attempts with disastrous results.


References


