December 1994

New Opportunities, New Responsibilities: Welfare Reform in Wyoming

Mark W. Lusk
Boise State University

Joseph D. Nies
State of Wyoming

Follow this and additional works at: https://scholarworks.wmich.edu/jssw
Part of the Social Welfare Commons, and the Social Work Commons

Recommended Citation
Available at: https://scholarworks.wmich.edu/jssw/vol21/iss4/4

This Article is brought to you for free and open access by the Social Work at ScholarWorks at WMU. For more information, please contact maira.bundza@wmich.edu.
Early experiments with welfare-to-work programs and other welfare reform initiatives had disappointing results, but successful state trial programs since the Family Support Act of 1988 are changing the prevailing wisdom. With evidence that reform can enhance self-sufficiency, many states are embarking on a redefinition of public assistance. Wyoming, a conservative frontier state, is implementing a welfare reform plan that incorporates components shown to be successful elsewhere. In addition to enhanced child support enforcement and workfare, Wyoming welfare reform stresses job preparation, education, and training up to the university level. Degree programs utilize the state's video network and are adapted to the rural context.

In late 1992, Governor Mike Sullivan proposed an experiment in welfare reform for the State of Wyoming. Noting the rapid rise in the state AFDC caseload, erosion of public support for traditional welfare programs, and limited state revenues, he advanced a reform strategy that is designed to promote self-sufficiency, stem caseload growth, and reduce welfare dependency. The Governor's proposal, subsequently enacted as law in early 1993, reflects an accelerating national trend by state governments to redefine the welfare contract by changing its emphasis from public assistance to self-sufficiency. This one state's reform initiative is but the latest reflection of a profound ongoing change in welfare policy in the United States.
P. T. Bauer contends that, "... in politics, myth is all" (1981, p. 1). No set of social policies in America has generated as much debate as welfare reform; much of it has been based on myth and ideology. Only recently has it been possible to pierce the ideological haze. Two factors account for the change. First is the key provision of the Family Support Act of 1988 which allows for state waivers to federal program requirements permitting state governments to experiment with AFDC programs. This bill, which received broad bi-partisan support, has resulted in dozens of state waivers and experiments which have completely altered the traditional incentive structure of public assistance and changed the terms of the welfare reform debate. Many such experiments have incorporated reciprocal contracts between clients and agencies such as workfare, training, and community service.

A second factor making it easier to go beyond the ideological level in the welfare reform debate is the proliferation of scientific studies which objectively evaluate reform programs. Now it has become possible for state governments to learn from each other which program designs are most effective in pursuing a goal which constituents from all sides of the ideological debate seem to agree is a reasonable aim of social welfare programs: the promotion of client self-sufficiency.

The Policy Context

Although there is widespread agreement about the ends of public assistance, there has been little consensus about the means. At one extreme are those who have contended that public assistance is a "right" of citizenship (Marshall, 1981), that the role of social workers and economic assistance workers is to assert that it is government's responsibility to assure a minimum standard of living for its citizens (Nichols-Casebolt & McClure, 1989), and that welfare programs, especially workfare, are designed for failure in order to support capitalism, patriarchy, and white supremacy (Miller, 1989). Most from this school of thought see welfare as an entitlement which should be much better funded and should involve no reciprocal obligation by the recipients (DiNitto, 1993). It is also argued by
proponents of this approach that welfare reform, especially workfare, is fraught with problems and bound to fail because it does not address the true basis of poverty (Segal, 1989; Abramowitz, 1988).

Those at the opposite end of the ideological continuum assert that public assistance, rather than providing for the poor, has actually increased poverty (Mead, 1986) and that the poor are so because of a set of social pathologies including an absent work ethic, lack of aspiration, single parenthood, drugs, and crime (Rector, 1992). Within this school of thought are those who advocate for a complete dissolution of the welfare state (Murray, 1984) and others who think that public assistance should be a large scale behavior modification program to correct "behavioral poverty" (Rector, 1992).

In the decades of the 1960's and 1970's, social policy tended to be closer to the first pole than the latter. During the War on Poverty period in particular, programs were designed under the assumption that the poor were so due to circumstances beyond their own control. Liberal poverty policy sought to address the structural basis of indigence through community development programs (e.g. Small Business Administration, Office on Economic Opportunity), while ameliorating family poverty with unconditional grants-in-aid. The conservative revolution of the 1980's reversed the trend and social policy approximated the views of the latter pole by emphasizing traditional values of reciprocity, productivity, work, and family (Karger & Stoesz, 1990). It was asserted that government welfare programs acted as a disincentive to both work and family cohesion (Butler & Kondratas, 1987). Thus, benefit levels were rolled back and, although total expenditures on public assistance continued to expand, the rate of growth of federal welfare expenditures was scaled down. Some traditionally-federal responsibilities were transferred to state governments and selected programs were eliminated altogether (Romig, 1991).

By the end of the 1980's, a new bi-partisan consensus on welfare emerged in the center and the traditional gulf between liberals and conservatives on social policy was reconceptualized. This was partly a result of the advent of neo-conservatism and neo-liberalism—pragmatically-oriented political philosophies that shunned traditional party ideology. During President
Bush's administration, a group of progressive conservatives, including HUD Secretary Jack Kemp and Education Secretary Lamar Alexander, sought to redefine Republican social policy under the rubric of the New Paradigm group (Galston, 1991). Although tenets of traditional conservatism were present (such as a preference for small government and a resistance to taxes), other new elements of the approach included the view that government should empower citizens, that the federal government has a central role in poverty policy, that bureaucracies should be decentralized, and that many government programs (such as public housing) should be privatized.

At the same time, a new wing of the Democratic party was emerging which stressed individual responsibility, reciprocity, civic duties and obligations, free market enterprise, social choice, and national service (Marshall, 1992). Organized in the early 80's under the Democratic Leadership Council, of which then Governor Clinton was a founding member, the group sought to reinvigorate the political center and to forge policy not on the ideological orthodoxies of the past, but on a pragmatic pursuit of policies that work. The so-called "New Democrat" approach rejects big government in favor of choice, competition, reciprocity and market incentives. A view that became widely popular during the past decade is that "... the kind of governments that developed during the industrial era, with their sluggish, centralized bureaucracies, their preoccupation with rules and regulations and their hierarchical chains of command no longer work very well (Osborne & Gaebler, 1992; pp. 11-12).

The trend of many traditional liberals to move to the center was also strengthened by events in Europe. The rapid dismantling of the formerly socialist nations of the Warsaw Pact lent credence to those who were contending that state socialist ideologies were rapidly becoming extinct. A view of benevolent states acting in the public interest came to be seen as naive and anachronistic in countries from Europe to Latin America (Lusk, 1992). In addition, the "model" welfare states of Britain and Sweden began to reduce benefits, privatize services, and redefine the notion of unconditional social entitlements as a right of citizenship (Barrett, 1993; Marklund, 1992).
Indicative of a new American consensus on welfare was a June 1993 speech by Health and Human Services Secretary Donna Shalala. In a significant departure from previous Democratic administrations, she said, "I don't think we should subsidize poor mothers who stay out of the workforce when working class mothers are going into the workforce" (Shalala, 1993). Her view reflects that of a vigorous new administration that is willing to look at a host of new ideas for a system that all sides agree has failed. Among the ideas floated by the Clinton administration is a controversial "Two Years and Out" regulation that would stop benefits for recipients who do not find work within two years (Pianin, 1994). A second proposal drawing fire is a "Minor Parents Rule" which would require teenage parents to live with a responsible adult in order to receive benefits (NASW, 1994).

The political context of the past decade has made reaching and definitive welfare reform in the United States possible. Virtually every president since John Kennedy advocated for a major overhaul of the welfare system and none was successful in altering the incentive structure nor stemming the growth of the client caseload (See Figure 1). But by 1988, a consensus had emerged between the parties on the failures of the welfare state, thereby making the passage of the Family Support Act possible.

State Experiments in Welfare Reform

Given the new latitude provided under the Family Support Act to conduct large scale experiments in the administration of AFDC programs, many states embarked on initiatives that changed the terms of the contract in family assistance from entitlement to exchange. Wyoming's current welfare reform measure represents the latest initiative in this national trend. State governments were required by federal statute to establish Job Opportunities and Basic Skills (JOBS) programs by October 1990 and all had such programs in place by that time (Clinton & Castle, 1991). JOBS, a limited welfare-to-work program, requires states to provide clients with basic education, job training, job search skills, as well as job development and placement. All
non-exempt AFDC recipients are required to participate in employment and training activities when child care services are available. Although the JOBS program does not include funding for large scale job creation through economic development, it has at least had the effect of putting workfare back into the mainstream of welfare policy.

Within this legislative framework, several states have experimented on a large scale with workfare and, in contrast with the pessimism of social work academics who had vigorously asserted that workfare was bound to fail (cf. Abramowitz, 1988; Segal, 1989; Sanger, 1990), many of the experiments showed promising results.

Early reviews of workfare evaluations had shown that a major obstacle to the success of welfare-to-work programs was access to child care (Dickinson, 1986); this obstacle was
addressed in the Family Support Act which requires that states guarantee participants with adequate and appropriate child care (Segal, 1989). Programs such as Work Incentive (WIN) had also been criticized as "make work" programs that did not generate the higher paying positions needed for long term success. Although some experiments, such as the California Work Experience Program (CWEP), showed modest improvements in employment and income, the workfare efforts of the 1970's were generally disappointing.

Under the provisions of the Family Support Act, however, state experiments began to succeed more often than fail. In the most comprehensive review of such workfare programs yet published, Gueron and Pauly (1991), noted that, "Almost all of the welfare-to-work programs studied led to earnings gains. This was true for both low and high cost programs and services, and for broad coverage and selective voluntary programs" (p. 26). Gueron and Pauly's work for the Manpower Demonstration Research Corporation (MRDC) involved a five year national review of dozens of welfare-to-work programs. Among their more important results was the finding that improvements in earnings had a lasting impact of at least three years. Programs which had a universal mandatory job search component more consistently increased earnings and employment rates because they reached more people and acted as a deterrent to remaining on welfare. These results did not surprise economic assistance workers and others who work directly with AFDC families. Despite myths to the contrary, AFDC recipients prefer work over welfare and actively seek to be involved in the labor force when the obstacles of child care and health care can be overcome (Kerlin, 1993).

A cost savings to government budgets was also observed. While welfare-to-work programs initially cost more than conventional public assistance programs, these investments were usually "...offset by savings in expenditures and tax increases" (p. 33). The San Diego Saturation Work Initiative Model (SWIM) was particularly effective in this regard. Every dollar invested yielded a three dollar return (Gueron & Pauly, 1991). The MRDC research was corroborated by Moffitt (1991), who found that the total earnings of workfare participants often increased
significantly. What is remarkable about the positive findings is that they occurred during a national recession which may well have masked even more profound employment effects.

Emboldened by the positive findings of early state experiments and by the willingness of the Clinton Administration to condone welfare reform initiatives, several states have recently enacted aggressive experiments toward self-sufficiency. Over a dozen states, including California, now allow welfare recipients to retain more earned income while remaining on welfare as an incentive to "bridge" over into the labor market. Nine states have increased payments assistance to households with two parents and four states have enacted rules to reduce or eliminate welfare after two years (Deparle, 1994). Clearly the rules of the game have changed!

The Wyoming Context

Wyoming, like the rest of the union, has experienced rapidly growing AFDC caseloads (see Figure 2) and increasing budgetary allocations for public assistance. Public support for welfare programs as traditionally defined is minimal. Wyoming has a strong cultural tradition of self-reliance and rugged western individualism that stands in stark, if not schizophrenic, contrast to the harsh economic realities of the state. Few have done well in the state over recent years and the national recession has been felt even more acutely in Wyoming.

While the state enjoyed a period of strong economic growth during the seventies, the past decade has been one of marked economic decline. Total employment dropped steadily during the period and state per capita income growth fell below national per capita income growth every year during the past ten (Department of Administration & Information, 1992; p. 22). Many of the state's youth have been compelled to migrate out-of-state for employment; overall, the state population fell from 469,557 in 1980 to 453,588 in 1990 (Department of Administration & Information, 1992).

The state's economic situation is most commonly linked to the decline in production of minerals, petroleum, and natural gas as well as an unstable market for agricultural products. State
revenues are tied directly to the well being of these industries. Wyoming draws the largest portion of its revenue from mineral severance taxes as there is no income tax and property and sales taxes are very low. Severance tax revenues and total tax revenues have also decreased over the decade. One effect of this protracted period of economic decline is that the poor of Wyoming have had access to a very weak labor market. In addition, without a diverse revenue portfolio, Wyoming state-supported programs face continuing pressure from elected officials to reduce costs and improve efficiencies. Public welfare is no exception.

**Wyoming Welfare Reform**

In this pressing environment, the Family Support Act has provided an opportunity for the state to experiment with welfare reform. Thus, in December 1992, Governor Sullivan
proposed a welfare reform package that was enacted into law by the legislature in early 1993. The Governor's rationale was the limited revenue base to support state programs, erosion of public support for welfare, dependency of recipients, and legislative initiatives to limit benefit levels (Office of the Governor, 1992). The bill required federal waivers which were obtained shortly after the Governor hand-delivered the measure to President Clinton in May 1993.

Key elements of the Wyoming welfare reform package include a trial workfare program. In three pilot counties (Natrona, Campbell, Carbon), able-bodied AFDC recipients are required to work or perform community service. Recipients can be exempted from this requirement if they are enrolled in an approved education or training activity that involves at least forty hours per week. The Department of Family Services (DFS) collaborates with the Department of Employment (DOE) in providing employment-related services to assist AFDC clients obtain work. To reinforce working clients, the allowable resource limit was raised from $1000 to $2500 and clients are provided with work essentials such as clothing, tools, transportation, and most importantly, child care. DFS and DOE staff are to provide counseling and support to those clients entering or designated to enter the work force. In addition, employers are encouraged to provide job coaching to help the recipient entering the workforce or adjusting to a new job. Recipients who cannot find employment after a reasonable period are referred to community service work by the Employment Service.

The education and training option is provided for those who lack the job skills to compete in the labor market. A case manager and the client jointly develop an individualized self-sufficiency plan with the goal of employment and the means to that end are designated. Training and education options go well beyond the minimal requirements of the federally-mandated JOBS program and include: job search and readiness training, remedial education, adult education, vocational education, and higher education. What distinguishes the Wyoming training component from the national norm is its inclusion of vocational and university degree training as an option. Clients may be trained in one vocational preparation or college degree program only.
The high fiscal impact of the training component is being offset by long term reductions in case rolls and reductions in housing subsidies as clients earn more in the job market. In addition, the Wyoming legislature established the AFDC payment standard at 87.5% of the standard of need (SON)—commonly referred to as a ratable reduction of the SON.

Another ingredient of the Wyoming reform effort is assisting recipients become self-sufficient by strengthening child support enforcement. The Wyoming position is that effective collection of child support is a cornerstone of welfare reform (Office of the Governor, 1992). Early reports on the Clinton Administration's welfare reform proposal also stress collecting support from absent parents. The Administration, noting that national AFDC caseloads in 1993 have reached a total of 5 million families, asserts that strict enforcement of child support will be key to federal welfare reform (Clinton Team, 1993). The Wyoming plan includes voluntary income withholding when possible supplemented by court-ordered mandatory deductions when it is not. District courts may now order able-bodied, unemployed absent parents of children on AFDC who are unable to fulfill a court-ordered child support obligation and who reside within the state to participate in the state's education, employment, and training program for AFDC recipients. Under the JOBS program, or Wyoming Opportunities for Work (WOW), as the JOBS program is known in Wyoming, unemployed absent parents receive the same assistance in job search, work readiness, employment training, and education as AFDC clients. This sends not only the message that the state is serious about enforcing parental responsibility, but also that the state is willing to provide the mechanisms and support for placing both parents in the labor force. Other child support legislation enacted by the welfare reform effort include:

- changing child support guidelines to presumptive child support amounts;
- establishing paternity by voluntary acknowledgement or by court action;
- counting the income of both parents in setting the amount of child support;
voluntary income withholding for child support payments can be withdrawn only when all arrearages are paid, and;

• limiting conditions for petitioning a stay of an income withholding order.

Because it is important that communities be stakeholders in the success of the poor, the Wyoming reform establishes task forces in each of the three workfare pilot counties to coordinate activities leading to the employment of AFDC recipients. Appointed by mayors and county commissioners, each task force includes representatives from the private sector and delegates from four state departments: Family Services, Education, Employment, and Health. Such task forces sensitize community leaders to AFDC clients' needs and abilities and remove roadblocks to self-sufficiency. Local leaders are in a better position to know their communities and promote economic development.

Recognizing that the public assistance system itself is in need of reform, the Wyoming plan has undertaken to significantly reduce paperwork, bureaucratic roadblocks, and AFDC monthly reporting requirements. Osborne and Gaebler (1992), have stressed results-oriented rather than process-oriented government. While organizations in the private sector survive by performance and efficiency measures, it is often the reverse with public agencies. The traditional presumption of process-oriented bureaucratic models of government has been that greater caseloads require additional funding; poorer schools need more resources, and dangerous neighborhoods lack sufficient police officers. More public agencies are turning this logic upside down by rewarding success and the Wyoming reform reflects this trend.

To date, the reform has shown promising results. In the first six months of the initiative, total caseload dropped by over 7% statewide even though the trial was limited to three counties. Clients moved into the workforce at an unprecedented rate and the earned income of household heads rose. Child support collections accelerated with an estimated savings to the state of $5–6 million in the first biennium.
In sum, Wyoming welfare reform stresses: independence through employment; investment in education, college, training, and job skills for work; strengthening families through child support; extending the penalty for fraud; and increasing the resource limit for working AFDC recipients.

Looking Forward

As the least densely populated and most rural state in America, Wyoming faces special challenges in adapting welfare reform to its unique, frontier context. Welfare-to-work programs are designed with the assumption of a stable and diverse labor market, a level or growing economy, sufficient density of population and industry to support a varied work force, and an AFDC caseload that provides an economy of scale for implementing major program changes and reform (Gueron & Pauly, 1991; Whitener, 1991; Harper & Greenlee, 1991). Some of these conditions are not present in Wyoming’s rural counties.

Although about 295 thousand of Wyoming’s 454 thousand residents live in “urban” areas of 2,500 or more (65%), most of these reside in one of four metropolitan areas: Casper, Cheyenne, Laramie, and Jackson. Only one Wyoming “city” (Cheyenne) exceeds a population of 50,000 and it does so by only eight people! Fully 35% of Wyomingites live in rural areas—many in isolated frontier communities with populations of less than 100 residents.

Whitener (1991) has observed that rural areas must contend with three complicating factors in making welfare reform successful: 1) limited employment opportunities, 2) lower than average educational characteristics of rural populations, and 3) the inadequacy of the local social service delivery system. He notes that rural environments are characterized by high unemployment, limited job opportunities, and isolated rural conditions which may serve as a disincentive for business growth. He also observes that rural Americans have lower educational and vocational achievement, higher rates of illiteracy, and greater proportions of the particularly disadvantaged. Finally, he comments that economic assistance and social services delivery systems and infrastructure are often minimal in isolated rural settings.
All of these factors complicating welfare reform in rural areas will ultimately have to be confronted in Wyoming if the state's plan is to be successful over the long term. Yet the situation is not as grim as might be anticipated. With respect to education and training opportunities, Wyoming is well ahead of other rural regions, such as Appalachia, where welfare reform has been hampered by the inaccessibility of schools and colleges (Harper & Greenlee, 1991). Wyoming has a major university with campuses in two cities as well as seven community colleges which are evenly distributed geographically. Educational programs are broadcast statewide via a state-owned video teleconferencing network. Part of the uniqueness of the Wyoming reform measure is that the state is well positioned to reach its rural residents and provide local educational programs and job training. The greater challenge is not in outreach services, but in the more difficult task of promoting economic development in a state that has relied on agriculture and extractive industries since its founding.

Conclusion

Child support enforcement, education, training, and welfare-to-work programs are an important first step in helping the poor achieve economic self-sufficiency. Workfare and the attendant components of welfare reform, despite the ideological arguments against them, are useful in providing skills, incentives, and supports for families as they strive for economic security.

An important next step in welfare reform will be the integration of funding streams and programs so that clients might straightforwardly access simple programs at one location. The need for interagency welfare coordination and consolidation accompanies the necessity for greater accountability and customer orientation. As important as it has been to attend to the incentives which impinge upon welfare recipients, it is also critical that agencies must be subjected to performance standards as measured by reduction of poverty rates, job placement, and child welfare indicators.
Wyoming Welfare Reform

References


Deparle, J. (1994, April 14). States take welfare reform efforts into their own hands. Idaho Stateman, p. 5A.


