



**RECOMMENDATIONS FOR THE  
REAUTHORIZATION OF THE  
PERSONAL RESPONSIBILITY AND  
WORK OPPORTUNITY RECONCILIATION ACT**

**Public Law 104-193**

**SUMMARY**

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**Full Recommendations**

*Submitted to*

**Office of Family Assistance  
Administration on Children and Families  
U.S. Department of Health and Human Services**

*by*

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# RECOMMENDATIONS FOR THE REAUTHORIZATION OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT

## Summary

### Overview

The interest and involvement of the National Association of Social Workers (NASW) in welfare reform is very much rooted in the mission and core values of the social work profession. These core values, which include social justice and belief in the dignity and worth of each person, have been embraced by social workers throughout the profession's history and are the foundation of social work's purpose and perspective.

Overall, NASW believes that the most promising strategies for improving public welfare lie beyond the Temporary Assistance for Needy Families (TANF) program. As a nation, we should develop universal systems of support for meeting basic needs, including health care, food, housing, child care, and education; create job opportunities that pay a living wage and provide a full range of benefits; and ensure economic security through adequate income support for individuals and families unable to sustain themselves through employment.

While working toward those universal systems of support, NASW believes significant improvements can and should be made to the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The PRWORA presents many opportunities for improvement, but we have generally restricted our recommendations to three areas:

- (1) reducing the number of families living in poverty;
- (2) improving assistance to recipients with multiple barriers to self-sufficiency; and
- (3) enhancing the capacity of the welfare system infrastructure.

We also have addressed the issues of funding, benefit levels, services for immigrants, and research.

### Reducing the Number of Families Living in Poverty

Welfare caseloads have fallen by more than 50 percent since 1993, but in 2000, nearly 40 percent of former welfare recipients continued to live below the federal poverty line. And the percentage of families living in deep poverty, defined as income below 50 percent of the poverty level, has been growing—from 4.9 percent in 1989 to 5.1 percent in 1998.

**Higher Education and Training for Non-traditional Jobs.** Higher education and training that focuses on high wage jobs significantly improve the likelihood that families will move not only off welfare, but also out of poverty. National survey data show that 40 percent to 50 percent of women who exited welfare returned within two years. Five years after leaving welfare, nearly 80 percent of women remained poor or near poor. However, women who had more postsecondary education were more likely to escape poverty.

**Asset Development.** Asset building strategies are an important part of an anti-poverty strategy and should be used in conjunction with, but not as a replacement for, other income support programs. Asset accumulation, through Individual Development Accounts (IDAs) or other vehicles, can augment income and provide some security in the face of inevitable job changes, career shifts, and life crises, as well as support new beginnings, such as purchasing a home, starting a business, or participating in additional education or training.

**Child Support and Parental Involvement.** Child support is a significant income source for low-income families that receive it. For poor single-headed families receiving child support, it is the second largest component of family income after earnings, amounting to 25 percent of the family's budget, or \$2000 per year. When families headed by single mothers get at least some child support during the year, their poverty rate drops from 33 to 22 percent. However estimates are that only about 20 percent of the child support caseload involve families currently receiving TANF.

**Economic Stability/Make Work Pay.** Continued access to a variety of programs and services for families making the transition from welfare to work is critical to maintaining employment and eventually moving out of poverty. However, an estimated one-third to one-half of all families leaving welfare for work do not receive medical assistance, Food Stamps, or child care to which they are entitled. The most common reasons are related to a lack of awareness and administrative failure. Others reasons include burdensome recertification and reporting requirements and stigma.

## **Recommendations**

### ***Poverty Reduction***

- *Make poverty reduction the primary purpose of TANF. Shift the focus of TANF from reducing the welfare rolls to reducing poverty by making explicit that the purpose of TANF is the reduction of child and family poverty.*
- *Create a link between caseload reduction and poverty reduction by redesigning the caseload reduction credit. One option is to reduce a state's caseload reduction credit in years in which the state's child/family poverty rate increases.*
- *Reward states for reductions in child and family poverty. Either through modifications to the High Performance Bonus, other bonus programs, or a separate incentive system, the federal government should provide financial rewards and public recognition to states that achieve overall success or notable improvement in moving children and families out of poverty. Any new or modified incentive system should also be designed to focus on moving children and families out of deep poverty.*

### ***Education and Training***

- *Allow education and training to count toward state work participation rates. Remove restrictions on numbers of participants and duration. Countable activities should include a full range of opportunities based on the needs of the caseload. Such activities should include nontraditional job training, higher education, vocational education, adult basic education (ABE), and English as a second language (ESL).*

- *"Stop the clock" for full-time students in higher education.*
- *Require training for case managers and vocational counselors on the advantages of nontraditional training for women.*
- *Evaluate state welfare performance, in part, on the basis of training for and placement of recipients in nontraditional jobs or other higher-paying jobs. Provide incentives for states to improve job retention and advancement among the welfare population.*

### **Asset Development**

- *Expand access to asset development programs to more low-income families.*
- *Streamline rules of IDA programs across the country.*
- *Create tax incentives for greater participation by private financial institutions, nonprofit organizations, and credit unions.*
- *Require more training in saving, banking, and investing for participants in IDA programs.*
- *Consider expanding the use of IDAs for other purposes, including the purchase and operating costs of automobiles, in order to expand access to employment opportunities.*
- *Allow IDA participants, whose only wealth may be their IDAs, to bequeath the balances in their IDAs to IDAs for their spouses or children.*

### **Child Support/Parental Involvement**

- *Require states to pass on a substantial share of all child support payments—including monthly payments and arrearages—to families owed such payments, whether they are receiving TANF benefits or have left the rolls. In addition, a significant portion of child support payments received by a family should be disregarded in determining eligibility for other benefits.*
- *Order child support payments to be determined as a percentage of the noncustodial parent's income. Evidence suggests that percentage-based child support orders lead to substantially higher, not lower, payments.*
- *Require states to revise guidelines so that obligations imposed on poor and near-poor noncustodial parents can be no higher in percentage terms than those imposed on middle- and high-income noncustodial parents.*
- *Create a program of child support assurance that guarantees a minimum benefit for all families legally entitled to private child support. Such payments must be exempt from current TANF time limits and work participation requirements.*

- *Restructure the “Illegitimacy Bonus” to award funds to states to create responsible fatherhood programs to provide services to non-custodial parents so they can better contribute financially, emotionally, and in other positive ways to their children’s development.*
- *Eliminate TANF rules that discriminate against two-parent families in determining eligibility and benefits and treat parents who reside together as a “family” under TANF.*
- *Eliminate formal payment of child support by cohabitating parents, but count a portion of the second parent’s income (for example, 50 percent) in determining eligibility and benefits under TANF.*
- *Eliminate sanctions on mothers or their families who refuse to pursue child support, especially families at risk of domestic violence.*

### **Economic Stability/Make Work Pay**

- *Create a new federal incentive program to reward states who improve access to benefits and services through:*
  - *systematic training of caseworkers about eligibility and available benefits*
  - *improved communication with applicants and recipients about those benefits*
  - *better administrative procedures*
  - *simplified applications*
  - *evening and weekend office hours*
  - *improved outreach.*
- *Sanction states which continue to violate either the spirit or the letter of the law by providing inadequate, incomplete, or false information on available benefits and services.*
- *Give states greater flexibility in aligning program requirements in all federal benefit programs.*
- *Modify the current unemployment insurance program to accommodate the work patterns of those in the low-wage labor market. In the short-term, allow TANF recipients to “earn back” months of assistance for months worked.*

### **Improving Assistance to Recipients with Multiple Barriers to Self-Sufficiency**

As welfare caseloads have fallen, more families still on the rolls have severe or multiple barriers to employment. Those barriers typically include low levels of education, minimal vocational skills, or limited English proficiency; lack of access to work supports; and personal or family issues, such as responsibility for a disabled family member, physical or mental health problems, drug and alcohol addictions, or domestic violence. One study found that of parents still on welfare in 1997, 34 percent had such one obstacle to employment and 44 percent had two or more.

**Mental Health.** According to the national data, income is one of the strongest predictors of a mental health disorder. In addition to being poor, being African American, Native American, and female are all associated with higher rates of mental health disorders. Also at risk are poor women who have been exposed to traumatic experiences in their lives such as adult and childhood abuse, crime victimization, and rape. Between one-fourth and one-third of current welfare recipients have symptoms associated with a mental health disorder.

**Substance Abuse.** National estimates of the welfare population that abuse alcohol or other drugs range from 11 percent to 27 percent. One study found that women receiving AFDC were more likely to be unemployed if they had used drugs in the past month—30 percent were unemployed compared with 21 percent among all women in AFDC households. As of February 1999, 31 states reportedly had plans to screen all or some TANF recipients for alcohol and drug problems. However, the number of referrals to treatment programs has not changed.

**Domestic Violence.** Data from four studies revealed that 15 percent to 32 percent of the women on welfare are current victims of domestic violence and that an additional 60 percent were abused in the past. As of 1999, 31 states had chosen to employ the Family Violence Option (FVO) contained in the PRWORA. The FVO allows states to screen TANF applicants and recipients for domestic violence, provide assessments and referrals to services, and grant good-cause waivers from program requirements that would make it more difficult for individuals to escape domestic violence or place them at risk for further abuse. However, despite the widespread adoption of the FVO, surveys found that only a few women admit to having been abused when they apply for or receive TANF.

**Racial and Ethnic Discrimination.** Since the passage of the PRWORA, the racial composition of the welfare caseload has changed. From 1997 to 1999, the share of TANF families that reported their race as white dropped from 42 to 33 percent and the share that reported their race as black rose from 34 to 46 percent. To date, few studies have focused on the effect of race/ethnicity on outcomes for applicants and recipients, however, some studies suggest that race/ethnicity has a powerful negative impact. Studies have found higher rates of sanctions among families of color, lower rates of employment, and discriminatory treatment by welfare caseworkers.

## **Recommendations**

### ***Work/Services/Exemptions***

- *Expand allowable work activities to include treatment and counseling for mental illness, substance abuse, and/or domestic violence.*
- *Extend time limits for those who are actively participating in activities to overcome one or more barriers to self-sufficiency.*

**Caution:** *States should be required to provide a full range of services needed by recipients with multiple barriers to move toward employment. However, if the necessary support services are not provided, states should be given greater capacity to exempt recipients with significant barriers from the federal five-year time limit. The*

*current federal cap on state exemptions could be raised from the current 20 percent to perhaps in the range of 30 percent to 40 percent, or federal law could make welfare recipients with certain barriers automatically eligible for exemptions and not counted under the 20-percent limitation.*

- *Require development of individualized self-sufficiency plans. States must make a greater effort to address the strengths and needs of each family individually, creating individualized packages of programs and services.*
- *Require use of intensive case management for families with multiple barriers. Families addressing multiple barriers should be assigned one case manager who is qualified to provide services for the family across agency lines. In addition, case managers must have caseloads that permit adequate contact hours with clients, must be able to effectively communicate with their non-English speaking clients, and have adequate resources to address clients' needs.*
- *Encourage states to provide recipients who are victims of domestic violence, mental illness, or substance abuse the opportunity to share their experiences with others. Focus groups promote self-disclosure among participants and provide group support to women who may be intimidated by being alone with a professional.*
- *Require states to develop procedures to ensure that families with significant barriers are not improperly terminated from TANF benefits (including in-person visits, assessments, and plans to bring the family into compliance).*
- *Require states to keep all information on client barriers confidential.*

### **Other Programmatic Elements**

- *Develop uniform verification standards so that if one state verifies the existence of domestic violence, mental illness, or substance abuse, the same barriers do not have to be proved again in another state.*
- *Require all states to adopt the Family Violence Option (FVO).*
- *Eliminate the requirement that states must "opt out" if they wish to provide TANF or Food Stamp benefits for anyone who was convicted of a felony drug offense after August 22, 1996.*

### **Staff Training**

- *Fund training programs for frontline staff on identifying the basic signs and symptoms of the more common mental health disorders, substance abuse problems, and signs of domestic violence. Training should include information on racial and ethnic discrimination and the eligibility requirements and process for accessing SSI disability benefits. Funds also should be available for cross-agency training.*
- *Launch a new training and technical assistance effort to strengthen the ability of states to address the needs of the hardest-to-serve recipients. Provide federal grants to states or to national intermediary organizations specifically for the purpose of building state capacity in key areas.*

## **Enhancing the Capacity of the Welfare System Infrastructure**

The ultimate success of welfare policy changes depends, in large part, on the capacity of the welfare infrastructure to implement the changes. Critical components of that infrastructure include the skills and abilities of the welfare workforce and the effectiveness of coordination among programs and agencies.

One common misperception regarding the welfare workforce is that it is mainly composed of social workers. In fact, fewer than one percent of NASW's membership identified public welfare as their primary practice area. Social workers are trained professionals who have bachelor's, master's, or doctoral degrees in social work from an accredited social work program. In contrast, the majority of public welfare caseworkers today have little to no professional social work training. Frontline staff often possess college degrees, but typically in unrelated fields. Some states only require welfare caseworkers to have a high school diploma.

**Workforce.** Following enactment of the PRWORA, workers whose primary task had been to determine client eligibility were suddenly called upon to conduct client assessments, link recipients to job readiness and placement activities, make referrals to related programs and special services, and track client activities. Many states simply have not invested sufficiently in the training needed to prepare frontline workers for their additional tasks, nor have they hired more highly skilled people.

Although states are adding additional responsibilities to the welfare worker's role, they have done little to reduce the time that workers must devote to determining eligibility and benefits. Consequently, workloads of frontline staff have actually increased, even as caseloads have decreased. In addition, the clients remaining on the rolls often have more barriers to self-sufficiency and need more of their caseworker's time and attention. Also important for program success are good employee relations within the agency. Paying attention to hiring issues and continued support of staff is crucial. How employees are treated affects how they treat those that they serve.

**Coordination and Simplification.** Public welfare agencies are complex bureaucracies with separate units for employment services, various public assistance programs, and protective services. With the clock ticking, it is critical that the different units coordinate services and expectations into one comprehensive package. One study found that a holistic approach to service delivery has particular benefits for hard-to-serve clients.

Even more challenging, and an increasingly important component of effective service delivery, is coordinating public services with services provided by the private, non-profit sector. One survey found that workers in nonprofit agencies were spending more time helping clients understand the new, and often unclear, welfare rules and helping them gain access to a wide array of services. Nonprofit agency staff also spent more time dealing with penalties imposed by the welfare agency and helping families cope with their anxiety, fears, and crises stemming from the negative impact of welfare reform on their lives.

## **Recommendations**

### **Workforce**

- *Require states to invest in comprehensive training for frontline staff and supervisors, lower workloads of case managers to effective levels, hire more highly skilled staff, and improve consultation with professionals in other fields. To encourage state action, create a new grant program to address the needs of the workforce or exempt/reduce the amount of funds used for hiring, educating and training staff that count against the current cap on administrative costs.*
- *Require the U.S. Department of Health and Human Services to create model caseworker training materials and provide states with information on good service delivery models, including effective methods of referring people to other programs, valid assessment tools, and effective protections that prevent eligible families from losing benefits without proper assessment and compliance plans.*
- *Revise the current emphasis on evaluating performance based on error rates in eligibility determination. Develop new benchmarks and performance incentives that acknowledge the full range of services needed to make welfare reform work.*
- *Ensure that frontline workers have adequate resources to address client needs. Case management cannot succeed if agency and community resources are not available to clients. Invest in support services, strategies for job retention and advancement, and other programs that promote the transition to self-sufficiency.*

### **Coordination/Simplification**

- *Revise federal benefit programs to facilitate service integration. Barriers to effective service integration include program-to-program differences in goals, outcome measures, performance standards, eligibility rules, income and asset limits, target groups, and geographic boundaries.*
- *Consider developing interagency financial incentives, such as cross-agency incentive grants, to support state development of interagency task forces, or performance bonuses for states that demonstrate effective coordination.*
- *Require states to take actions related to interagency cooperation and program simplification to create a more effective network of services. Require true collaboration with private, nonprofit agencies in the design and ongoing implementation of TANF and other welfare-related programs. Work to streamline program application procedures for clients, through, for example, simplified forms and automated screening systems, and develop common reporting forms for community-based organizations.*

## **TANF Funding**

Funding for the TANF block grant was set at \$16.5 billion for the length of the authorization—five years. Even with a relatively low inflation rate since 1997, the real value of the block grant has declined by 13.5 percent.

**Recommendations:** *To ensure adequate funding, at a minimum, both the \$16.5 billion for the TANF block grant and the state maintenance-of-effort (MOE) requirement should be maintained and increased annually for inflation. Actions also should be taken to revise and strengthen other TANF funding sources, such as the current Contingency Fund, state supplemental grants, and state loan fund.*

## **Social Services Block Grant (SSBG) (Title XX)**

The SSBG is a perfect complement to the TANF program with its goals that focus on self-sufficiency, reducing dependency, preventing and remedying abuse and neglect, and preventing unnecessary institutional care.

**Recommendation:** *Funding should be restored at least to the level of \$2.38 billion.*

## **Benefit Levels**

TANF benefit levels, in most states, have not been raised in a decade. One proposal suggests that the state benefit level must be no lower than the sum of the (monthly) poverty level and the amount (if any) by which family housing costs exceed 30% of the poverty level.

**Recommendation:** *Impose a federal floor on TANF benefits, and index benefits to inflation, as are other more universal benefits, such as Social Security.*

## **Immigrants**

One of the most egregious features of the 1996 law was the denial of benefits to legal immigrants. Nearly half of the projected savings came from reductions in public benefits eligibility for immigrants.

**Recommendation:** *All remaining barriers in current law to immigrants' access to federal benefits, including waiting periods and deeming requirements, should be removed.*

## **Research**

Listed below are some of the areas where additional research is warranted.

**Recommendation:** *The federal government should continue to support a variety of welfare-related research.*

- **Public welfare workforce.** Optimal level of education and training necessary for effective frontline workers, case managers, supervisors, and administrators. Experiences and perspectives, roles, and functions of workers at all levels.

- **Recipients with multiple barriers.** Interventions designed to learn how adults with multiple barriers can be helped to hold jobs and become less dependent on welfare. Demonstration programs on the most effective methods of providing work experiences for adults with multiple barriers to employment. Creation of effective tools to screen recipients.
- **Racial/ethnic outcomes.** All studies done should break out results based on race and ethnicity. Studies to identify areas of possible hidden or overt discrimination in the provision of services/benefits. Extent to which racially discriminatory practices in the job market, as well as in related areas, continue to limit the potential economic independence of minority families.
- **Former TANF recipients.** Additional research is needed on the approximately 40 percent of welfare recipients who have left the welfare rolls, but are not working or receiving benefits. One particular focus could be on the families that lost benefits because of sanctions and time limits.
- **Psycho-social factors.** How psycho-social factors such as violence, abuse, poor housing, dangerous neighborhoods, and limited support affect individuals' ability to make the transition from welfare to work. Research to identify women's personal strengths and resiliency factors that help mothers on welfare succeed in the workplace.
- **Child welfare.** Additional research is needed on how the various welfare policies affect the well-being of children in general, and the child welfare system in particular.

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