2018 Falk report

Twenty Years of the Devolution-Revolution: State Uses of TANF Grants

(Editorial comment: Focus on content, not formatting…format will vary from journal to journal).

Section 1: Introduction (Editorial note: need new material here, but keep this brief and direct)

Twenty years of the devolution-revolution have brought profound changes to the nation's welfare system. Many of these changes are evident in the evolution of the core means-tested cash assistance program, TANF.

* TANF was created by PRWORA, give brief history here
  + This paper examines the consequences of the PRWORA, the federal welfare reform of 1996, for state decisions about the use of TANF grants. The PRWORA delegated broad authority to states, including the authority to re-allocate federal TANF funds for any purpose that might plausible advance the PRWORA's goals. In addition, states were given a flexible mandate for the uses of state MOE funds.
* What changes are evident from the devolution revolution?
  + Caseloads are down
    - Take-rates are down
    - More cases are child only
  + More single mothers are labor force participants
    - Benefits for working people have expanded (especially refundable tax credits)
    - Poverty among single moms remains a serious national problem
  + The real value of money available to the TANF program has declined
    - The real value of federal assistance has declined over time
    - The real value of monthly benefits has declined over time
  + States have introduced new policies regarding eligibility
    - On one hand, it is more difficult to receive TANF assistance
    - On the other hand, new forms of assistance have emerged, especially child care, early education, and refundable tax credits
  + States uses of TANF grants reflect these shifting priorities
    - Nationally (looking at the states in aggregate), states now devote smaller proportion of their TANF spending and spending on related programs to basic assistance.
      * Explain distinction of basic assistance from getting help on an irregular basis
    - This spending shift is important because the principle reforms prompted by the PRWORA are linked to receipt of assistance
      * Work requirements and time-limits are enforced only when people are receiving assistance
      * Some states may have post-PROWRA
      * Has not solved problem of poverty but it has evolved into something that at least in many states of marginal importance to the welfare system.
        + What determines a “Post-PROWRA” state – look at dependent variables
    - “Welfare as we knew it” involved using poor people’s connection to the cash assistance program to control them – now we have to use SNAP, Medicaid, and housing assistance to control them.
* State changes in spending priority have been noticed, but not explained.
  + National spending trends mask a complex pattern of state-level decisions regarding uses of TANF grants.
  + The purpose of this research is to explain state level spending decisions by examining state-level behavior during the devolution revolution.
  + We test several hypotheses to explain why states made the spending decisions they did and to unmask the confusing patterns of state-level behavior by addressing two research questions:
    - How have states spent TANF funds (federal grants and MOE funds) since the creation of the program? Did states use the devolution of authority to reshape welfare spending? And if changes did occur, were there broad trends among states or have states followed distinctive trajectories?
    - Why do states spend TANF funds in particular ways? What factors—political, economic, or demographic—account for any observed variation in states’ TANF expenditure decisions?
  + Preview conclusions here

Section 2: Background on PRWORA/TANF

* Explain key PRWORA reforms
* Explain the TANF grant
  + Explain MOE requirements
* Make explicit the link between "assistance" and reforms
  + Define and explain "assistance" carefully

(Editorial note: Discussion of data source moved to Appendix)

Section 3: Descriptive analysis of state spending

* States used authority to shift spending priorities
  + Document national trends
    - Show state-level breakdown
    - While some aggregate patterns are evident, note/discuss state level complexity defies simple explanation
      * There is a general decline in the proportion of federal assistance that is devoted to providing regular monthly assistance
      * There is a shift away from cash assistance toward the provision of other services, particularly childcare, educational services, social services, and tax credits

Section 4: Explaining state assistance decisions

* Changes in state spending have been recognized, but not explained. This section examines the factors that are associated with the proportion of TANF money that states spend on "assistance".
  + Race and ethnicity
  + Partisan control of state government
  + Economic conditions (including fiscal health)
  + Programmatic factors

Section 5: Models of state basic assistance spending

* Model 1
* Model 2
* Model 3
* Model 4

Section 6: Discussion and Conclusions

* There can be little doubt that PRWORA changed welfare as we know it (to paraphrase President Clinton), perhaps PRWORA also changed welfare *as we knew it*, in the 1990s. The PRWORA used the connection of poor families to the cash assistance system to enforce work requirements. Since then, welfare as we knew it has changed. States have altered their welfare systems by moving away from providing regular cash assistance payments to needy families.
* Ironically, it is the more liberal states that use larger shares of their block grants to provide basic assistance that are still living in the 1990s. Other states, states that have pushed cash assistance to the margins, might now be considered post-PRWORA welfare systems, where cash assistance is no longer a substantial connection to low-income families to enforce work.
* As cash assistance declines in importance in the welfare system nationally, inter-state variation in welfare generosity declines (because cash assistance is historically, a source of inter-state variation in welfare generosity). This contributes to a more nationalized welfare system (one that is centered on food assistance, medical assistance, and cash from tax credits) rather than cash assistance grants.
* Perhaps recent initiatives to extend work requirements to SNAP, housing assistance, and even the Medicaid program are the emergence of the post-PRWORA welfare reform agenda, in which policymakers intent on enforcing work seek new connections to needy families.

Appendices

Data source

Appendix Tables