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Waivers Change the Face of Welfare

By DOUGLAS J. BESHAROV

As Bill Clinton and Bob Dole jockey for position as the candidate who is tougher on welfare reform, a larger point has been missed. Clinton's permissive approach to granting states waivers from the strictures of federal law has set in motion forces that are transforming welfare in ways that even Ronald Reagan would envy: In more and more states, welfare is looking more like a privilege to be earned than an entitlement.

The Social Security Act gives the executive branch authority to waive many of the requirements embedded in federal welfare law -- a power that Clinton has used liberally. His administration has granted more than 60 waivers to 37 states. Before Clinton, waivers of major programmatic components were extremely rare.

During the administration's first three years, the waivers were usually modest in scope. The most common allowed recipients who go to work or get married to keep more of their earnings or to stay on Medicaid longer. Others reduced benefits if welfare mothers failed to send their children to school, keep their immunizations up to date and so forth. Beneficial as they were, these waivers amounted to little more than tinkering with the basic program.

But in recent months, 25 states have received waivers that go to the very heart of the program: They end the absolute and unconditional entitlement to long-term benefits (five more states have similar waivers pending). About half completely terminate cash benefits and about half trigger a work requirement after a specific period on the rolls, usually 24 or 36 months. Three others terminate benefits after a period of mandatory work.

Don't assume that the only states making these fundamental changes are small ones with minimal welfare caseloads. Included are California, Illinois, Ohio and Texas. (New York will probably join the list soon.)

Many of the waiver requests submitted by states initially proposed an absolute termination of benefits after the time limit. So far, however, the Clinton administration has insisted that there be some sort of protection for long-term recipients, even when the state did not want one -- although there is no telling what the Clinton White House might do in the heat of the campaign. According to congressional testimony by the assistant secretary in charge of the program,

"Time-limited benefits must be followed by jobs, supported work or some other continuing support for those who have played by the rules."

Hence, all approved state waivers have some sort of safety-net-like exception at the end of the time limit. The most common exceptions are personal hardship (14 states), inability to find a job (13), the caretaker's age (10) and the child's age (9).

Although some critics argue that such exemptions eviscerate the effectiveness of a time limit, most Americans will welcome the apparent assurance that the truly needy are still being protected. More important, it looks like such exemptions will not prevent states from throwing people off welfare -- especially those who do not comply with new requirements to look for a job, participate in job training or accept a public service job.

Since Iowa's toughened requirements took effect in October 1994, an average of 165 families a month have been subjected to six-month suspensions of cash assistance. In the last six months, hundreds have been thrown off the rolls in Virginia for various forms of non-compliance.

As these numbers suggest, the states are unlikely to turn the screws and suddenly throw a high proportion of current recipients off welfare. Even the most conservative politicians will not want tens of thousands of homeless families in the streets. Nevertheless, this new round of waivers has the practical effect of ending the unconditional entitlement to welfare and, in its stead, has given administrators and caseworkers vast new discretion in deciding who gets welfare.

The state-by-state waiver process is an unexpected and unintended way to reform welfare, at least partially. The federal government gets reform on the cheap, without an up-front appropriation of vast new funding for job training and child care. The states get a measure of the flexibility they want, without the financial risks inherent in the Republican block grants, although also without their financial advantage as caseloads decline. And Bill Clinton gets a credible claim that he did, indeed, reform welfare.

But there is also a downside to using such an informal policy instrument to make these momentous changes: Many important issues go unaddressed or are hidden from public view. One troubling example is the vague standards being established for exempting families from the time limits (and the potential for arbitrary application). Ohio's provision is typical: "Extensions of welfare payments will be provided after reaching a time limit if the family shows good cause -- which includes the inability, through no fault of the individual, to obtain or retain employment."

What does it mean to be unable to work "through no fault of the individual"? Does it mean that welfare mothers must leave their children with relatives, must work at the minimum wage without medical benefits, must spend many hours traveling to a low-paid job? How are such crucial decisions to be made? And by whom? Anyone who, like this old veteran of the civil rights struggles, remembers when racial minorities were routinely denied welfare or hassled about staying on will wish that such issues had been more thoroughly addressed.

In 1992, candidate Clinton promised to "end welfare as we know it." By effectively ending the welfare entitlement, that is just what he has done. To his liberal supporters, Clinton may claim that the Republicans made him do it. For the general electorate, however, he will be sure to claim that he kept his promise. And, for better or worse, he has.

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