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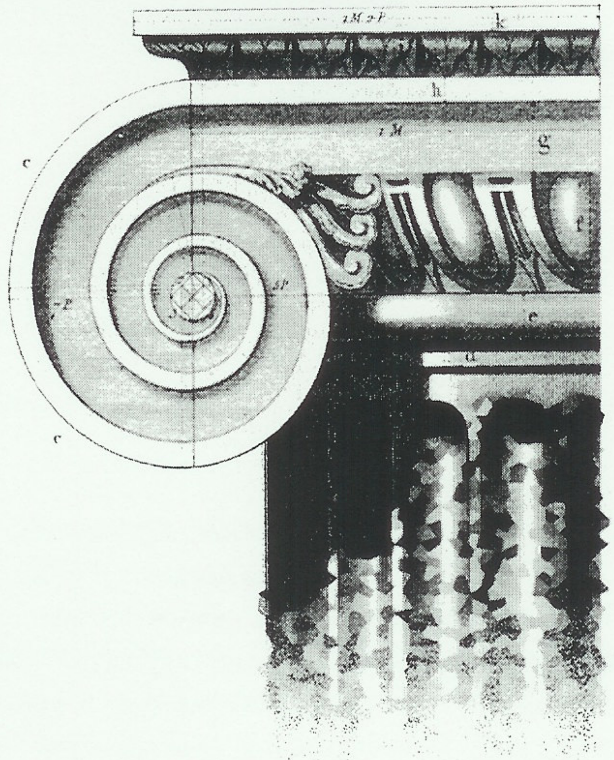
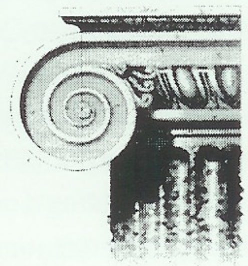


Status Report:

Welfare Reform in Pennsylvania: Embarking on a New Path

Bruce Barron
November 1996



Welfare Reform in Pennsylvania: Embarking on a New Path

Institute of Politics Status Report
by Bruce Barron

The safety net of guaranteed entitlements has been removed, and Pennsylvania is about to join the national experiment in revamping welfare.

President Clinton's decision to sign federal welfare-reform legislation (known as the Personal Responsibility and Work Opportunity Reconciliation Act) placed the nation on a new path that ends Aid to Families with Dependent Children (AFDC) as an automatic entitlement, establishes time limits on cash assistance, and toughens work requirements. Even before that decision, however, Pennsylvania had already started down much the same path. On July 31—ironically, the same day on which President Clinton announced he would sign the welfare bill— Pennsylvania's Department of Public Welfare submitted its request for federal waivers to implement Act 35, passed by the General Assembly in March. This act requires all welfare recipients to be involved in preparing for work and ends assistance after 24 months unless the recipient is engaged in work activity at least 20 hours a week. (Under the new federal law, Pennsylvania no longer needs a waiver to implement these provisions.)

Will this overhauled version of welfare leave needy Pennsylvania families without sustenance? Will it have especially harsh consequences for children? Will the new system create even more conflict for jobs between the working poor and welfare recipients? Will the economy be able to absorb welfare recipients into the workforce, enabling them to move from dependency to productivity? Can so many unemployed adults be moved successfully into the workforce? The answers to those questions depend in part on important decisions Pennsylvania must make as it deploys public and private resources to support this new course.

The main purpose of this Institute of Politics STATUS REPORT is to assist Pennsylvania policymakers and civic leaders in participating effectively in this implementation phase. The report draws on interviews with influential officials and policy analysts, and on the proceedings from Institute of Politics forums.

Welfare as we knew it

The 60-year legacy of welfare entitlements began with the New Deal legislation of 1933–1935. Since public policy at that time expected men to work outside the home and women to care for their families, the New Deal programs included job creation primarily for men and AFDC for women with children. The Civilian Conservation Corps enrolled young men in residential work camps from 1933 to 1942, and the Works Progress Administration carried out public-works projects from 1935 to 1943. These and other job-creation programs were intended as temporary stopgap measures during a period of extraordinary unemployment. AFDC, in contrast, was to be permanent, representing a commitment by the federal government to guarantee all children a basic level of sustenance.

That basic sustenance expanded with the Great Society legislation of the 1960s, which introduced Medicaid, Medicare, and the federal food stamp program. The 30 years since then, however, have seen a shift in many people's attitudes about the role and ability of government to alleviate poverty. A study conducted in late 1994 by the Center for the Study of Poli Attitudes found 75 percent of respondents agreeing with the statement that government anti-poverty programs "do not help poor people and waste taxpayers' money." While the percentage of Americans believing that government "has a responsibility to try to do away with poverty" actually rose—from 70 percent in 1964 to 80 percent in 1994—the number who trust government to "do the right thing" either always or most of the time plummeted from 76 to 19 percent. Increasing tax burdens, economic insecurity, and demographic changes also fueled public frustration and disillusionment with the welfare system.

The new face of welfare

President Clinton pledged to "end welfare as we know it" during his 1992 campaign but the administration failed to craft a bill that would have passed both houses of Congress. Welfare reform centering on the theme of personal responsibility was an item in the Republicans' 1994 "Contract with America," and the Republican takeover of Congress that year led to the advance of welfare-reform proposals that could not have passed previously. President Clinton vetoed the first two welfare measures that reached his desk, objecting to the Republicans' plan to change Medicaid and food stamps from entitlements to block grants with predetermined expenditure caps. After these provisions were removed, he reluctantly agreed to sign the bill, while still expressing serious reservations about its cuts in nutrition funding and in aid to legal immigrants.

The President's decision to sign the bill brought harsh criticism from many of his allies, including Sen. Daniel Patrick Moynihan, Rep. Charles Rangel, and Marian Wright Edelman of the Children's Defense Fund. The Urban Institute estimated that the new welfare law would increase the number of American children in poverty by 1.1 million. Three high-ranking officials at the U.S. Department of Health and Human Services (including Wendell Primus, undersecretary in the United States Department of Health and Human Services who represented the Clinton administration at a previous Institute of Politics forum) submitted their resignations over the welfare bill.

Helpful summaries of the 130-page federal law are available elsewhere (see bibliography).

Key provisions are as follows:

- AFDC is abolished and replaced by a block grant known as TANF (Temporary Assistance to Needy Families).
- Adults receiving TANF assistance must participate in work activities after receiving 24 months of assistance and have a lifetime limit of five years of cash assistance. Twenty percent of the caseload may be exempted from the five-year limit for hardship reasons.
- States must achieve minimum work participation rates ranging from 25 percent of their single-parent caseload working at least 20 hours a week in 1997 to 50 percent of the caseload working 30 hours in 2002. Separate, more stringent participation requirements are set for two-parent families; by 1999, 90 percent must be working 35 hours a week. Families still in their first 24 months of assistance *are included* in calculating the work participation rate. States failing to meet the goals may lose 5 percent of their grant in the first year and an additional 2 percent in successive years.
- A contingency fund is established for states experiencing economic downturns, and bonuses are awarded to states that meet program goals or reduce out-of-wedlock births.
- States may contract with private providers (including religious organizations) for services funded by the block grant.
- Child care funding is *increased*, with the federal government providing $13.85 billion to the states during 1997–2002. Of this amount, approximately $1.2 billion a year, or slightly over half the total, is allocated by formula, and the remainder as matching funds.
- There is no "family cap," or prohibition of increasing the subsidy for welfare mothers who have additional children, though states may choose to enact a family cap on their own.

States that enter TANF earlier than the required date of July 1, 1997 will receive additional money for that period (an extra $4.6 million per month in Pennsylvania's case). However, the law also narrows several eligibility categories. It tightens the standards for children with disabilities seeking Supplemental Security Income (SSI), excludes legal immigrants from the SSI and food stamp programs, and imposes a work requirement for able-bodied persons applying for food stamps if they are between age 18 and 50 and have no dependents. These cuts may create new demands for assistance at state and local levels.

In sum, states receive greater flexibility as to how they operate their programs and use their funds, but they also face more strictly defined federal funding limitations and stiff work participation goals. Moreover, although the new law promises performance bonuses as rewards for success, it eliminates and even reverses previous federal incentives to increase state welfare spending; whereas the federal government formerly matched state spending according to a preset formula, now greater state spending means *less* federal aid, because recipients qualify for less food-stamp assistance.

Guarantee or contract?

The basic philosophical chasm that defines this debate concerns not whether welfare recipients should participate in the workforce—conservatives and liberals agree on that goal—but whether welfare should be a government guarantee to persons in poverty or a two-way contract in which recipients must hold up their part of the bargain.

For the last 60 years, with very few exceptions (such as criminals or persons refusing to cooperate with child-support enforcement authorities), single-parent American families who fell below a designated income level qualified for cash assistance, regardless of the parent's willingness to work. A series of federal initiatives sought to *encourage* welfare recipients to enter the workforce, but states were not permitted to *require* work as a condition of receiving benefits.

The last of those initiatives was the Family Support Act, passed by Congress in 1988. This law required states to operate a Job Opportunities and Basic Skills (JOBS) program, offering a broad range of education, job-training, and work-experience activities. "Nonexempt" AFDC recipients were, in theory, required to participate in the JOBS program. However, the exemptions were relatively broad, including pregnant women, parents of young children, and persons residing in an area where the program was not available. Moreover, Congress set the minimum JOBS participation rate at a modest level, rising to just 20 percent of the AFDC caseload by 1995. The current phase of welfare reform has demanded a more substantial upheaval of the system—one that, at its core, revises the classic view of welfare as an unconditional right. The alternative view, now in its ascendancy, believes welfare should function as a two-way contract. Pennsylvania's new legislation enunciates this principle explicitly, stipulating that recipients of cash assistance

> shall be required as a condition of eligibility to enter into a mutual agreement with the department that will set forth the responsibilities and obligations to be undertaken by the recipient to achieve self-sufficiency, the time frames within which each obligation is to be completed, the penalties for failure to comply and the actions to be taken by the department to support the efforts of the applicant or recipient.

Proponents of this approach believe the contract view of welfare, including the threat of removal of benefits, will motivate desired behavior change in recipients. Opponents argue that this approach places unreasonable expectations upon disadvantaged adults and warn that innocent children will be the persons most seriously affected by these sanctions.

Welfare experiments in other states

During the 1990s, over 30 states have received waivers exempting them from certain federal regulations and permitting them to experiment with new approaches to welfare. At first the focus was on building relatively modest incentives and sanctions, into AFDC allocations, (e.g., encouraging recipients to seek regular health care, have their children immunized, and ensure that their children attend school). As the push for reform mounted, more substantive welfare-to-work initiatives gained prominence, including time limits and streamlined job-placement activities. Two of the most significant experiments thus far are described below. It must be noted that these experiments and their impacts are in their infancy.

Wisconsin. The most publicized state initiative is Wisconsin Works (also known as W–2), known for its sweeping promise to abolish AFDC in that state. W–2 does not eliminate welfare subsidies, but it does significantly reshape expectations for both recipients and case-workers. Persons in need will go not to the nearest government-administered welfare office but to a financial and employment planner (FEP) at a local W–2 agency, operating under contract with the Wisconsin Department of Workforce Development. FEPs, armed with access to child-care, health-care, and transportation subsidies, will guide recipients into the workforce. For those unable to find work on their own, W–2 will manage temporary, partially subsidized "trial jobs" with private employers and fully subsidized community-service positions. Those unable to work will receive assistance in exchange for performing activities of which they are capable, such as rehabilitation or basic-skills training. FEPs have the authority to deny services to noncompliant recipients.

Private organizations, including for-profit businesses, may compete for contracts to operate local W–2 offices. Contractors will be evaluated by their success in achieving desired client outcomes.

A pilot program initiated in two rural Wisconsin counties in 1994 has reduced the welfare caseload by over 50 percent and claimed net savings of approximately $2 million a year. However, W–2's impact in urban areas is as yet untested.

Oregon. In October 1994 Oregon became the first state to implement the "Full Employment" model, as a pilot project in six counties. Oregon's JOBS Plus program places welfare recipients in temporary, subsidized jobs that suit their skills and interests. After four months, if the employer does not offer a permanent job, the employee may start over with another subsidized employer. After the first 30 days, the employer must also contribute $1 for every hour worked into an Individual Education Account, which the recipient may subsequently use to finance additional job training. Oregon continues to provide child care and health care to participants through their first year of unsubsidized employment. On the other hand, recipients who refuse to participate in JOBS Plus face reductions in cash assistance, culminating in a total cutoff of payments after four months. Oregon involves the business community in program oversight through its JOBS Plus advisory board.

In the pilot counties 1,700 employers expressed interest in receiving JOBS Plus referrals. In 14 months 1,389 recipients or 80 percent of eligible found unsubsidized jobs while only 353 received subsidized placements. In April 1996 Oregon received federal approval to expand JOBS Plus statewide.

Pennsylvania's new law

The main features of Pennsylvania's welfare-reform law are as follows:

- All recipients must sign an Agreement of Mutual Responsibility (AMR). Recipients failing to fulfill their obligations will become ineligible for cash assistance.
- The DPW will operate a RESET (Road to Economic Self-Sufficiency through Employment and Training) program, to guide recipients into work.
- All recipients must be involved in "work-related activity." The initial activity may be a job search of at least eight weeks. Pursuit of education or job training is permitted to fulfill the work-related activity requirement, but only (except for persons under age 22 and lacking a high-school diploma or the equivalent) for a maximum of 12 months.
- Recipients who have received assistance for a total of 24 months (not necessarily consecutively) must participate in work activity at least 20 hours a week to remain eligible. Qualifying forms of work activity include subsidized employment, work experience, on-the-job training, community service, and workfare.

- Exemptions from the work requirement are available only for persons with disabilities, minors (who must be enrolled in school), and persons unable to find child care.
- As incentives to assist persons seeking to work, Act 35 authorizes the state to cover child-care and transportation costs and excludes one vehicle (whatever its value) and a larger amount (50 percent) of earned income when calculating eligibility for cash assistance.

The implementation crossroads

Will RESET actually move persons to work and self-sufficiency, or will it become another in the series of disappointments that have marked American welfare policy? The next few years, as Pennsylvania seeks to implement this new law, will provide the answer. The Institute of Politics sought input from a variety of experts on important, unresolved implementation issues.

How will clients be moved to work?

Welfare policymakers have historically debated whether it is better to concentrate on providing recipients with education and job training or move them directly into the workforce as quickly as possible. Opinion appears to be shifting toward the latter option.

Although hard data are relatively limited, job training alone has not shown the ability to move welfare recipients into jobs. The Manpower Demonstration Research Corporation, in a 1995 study conducted for the U.S. Department of Health and Human Services, found that the "quick attachment" method, which focused on moving people quickly into jobs, outperformed the control group in helping recipients get off welfare and increase earnings. In contrast, the "human capital development" approach, which encouraged people to develop skills first, failed to produce consistent gains in earnings or employment.

Job training "doesn't prepare people for real job opportunities, because it doesn't have the link to an automatic job at the other end," says State Representative Kathy Manderino (D–Philadelphia). Sherri Heller, the Pennsylvania Department of Public Welfare's deputy secretary for income maintenance and the Ridge administration's point person on welfare reform, agrees: "I am appalled at how much public money is spent on training for jobs that aren't there."

Manderino favors reliance on the subsidized employment option with employers that can make suitable positions available. At the same time, she fears that "quick attachment" will be used as a means to rush persons off the welfare rolls, and into jobs that don't pay enough to support a family or are temporary in nature.

Heller acknowledges that many see quick attachment as "an invented concept designed to meet the fiscal constraints of welfare reform." She stresses not only that quick attachment can be effective but that, under the new rules, closing cash-assistance cases is the best way to make more funds available for work supports such as child care, transportation, and job coaching.

Steve Berg, senior policy analyst the Center on Budget and Policy Priorities in Washington, warns against contrasting the approaches too sharply. The most successful programs, he says, still focus on improving welfare clients' skills, coordinating educational activity with the job-search and placement components.

Mark Greenberg, senior staff attorney at another Washington institute, the Center for Law and Social Policy, agrees with Berg. "If one goal is to help families reach the point where they no longer need public assistance, then we need to include strategies that help people attain jobs that can support a family," he says. "It is possible to mix job placement with education and training while ensuring that the training is directed at available jobs that can increase family income."

The federal work participation goals may also change the prioritization of clients. Formerly, long-term welfare cases received the greatest attention, but now states will have a motivation to focus on recipients who can be moved into the workforce most quickly. This change is unsettling to State Representative Allen Kukovich (D–Westmoreland). "I'm concerned that the state will end up shuttling people into 20-hour jobs just to get them off the rolls and avoid fiscal sanctions," he states. Kukovich says a prior study of job training sites contracting with DPW found that some of them were ignoring the neediest recipients and rushing the least needy into jobs in order to make their statistics look good.

Scott Johnson, executive director of Pennsylvania's Senate Health and Public Welfare Committee, believes that "some people respond to carrots and others to sticks" and that the new law appeals to both motivations. While the work requirements and time limits function as sticks, Johnson notes, the expanded exclusion of earned income removes prior disincentives to find work, making entry-level employment more attractive and helping welfare recipients to begin building a job history.

However, Carl Redwood of Hill House, a nonprofit center in Pittsburgh with considerable experience in job training, believes the new system will move few clients above minimum-wage employment and out of poverty, especially because it will flood the job market with low-skill workers and accelerate the trend toward hiring part-time rather than full-time employees.

The welfare office gets a facelift

The new law promises major transformation of local welfare offices, where caseworkers formerly charged primarily with determining eligibility and disbursing benefits will now be responsible for moving recipients to work.

Unlike Wisconsin, which is replacing its traditional welfare offices with workforce-development contracts, Pennsylvania plans to equip current caseworkers to perform the new tasks, with some support from job-assistance contractors. Views as to the feasibility of this undertaking are mixed.

Johnson, who previously worked in a welfare office, believes concerns about whether caseworkers can handle the new demands are misplaced. "Getting a job is ultimately not the caseworker's responsibility," he says. "People perform in accordance with expectations, and we will have to redefine and clearly convey the expectations for both clients and caseworkers." Once that happens, he believes most clients—informed about the new work incentives, supports, and sanctions—will be able to guide their own entry into the workforce.

Heller speaks very favorably of the creativity exhibited by DPW caseworkers, stating they "are so happy to be freed from rules and forms and given the chance to be caseworkers again that we are getting a great response." Claire Morrison, director of the Allegheny County Assistance Office, agrees, indicating that her staff look forward to greater autonomy and opportunities to help clients achieve career goals.

Peter Barwick of the Commonwealth Foundation, a Harrisburg-based think tank, is less sanguine. The quick-attachment approach, he believes, is so alien to DPW's past practice that any employment assistance should be privatized. Barwick doubts that DPW will be able to provide the services—such as staying current with the local job market or providing a facility from which job-seekers can make phone calls—in which private employment counselors specialize.

Both Kukovich and Manderino believe substantial retraining of DPW staff will be required, and they question the state's readiness to make that investment. "Each welfare office will need someone to be out in the community, making job-placement connections," Kukovich says. "I don't know where the money to fund this activity will come from."

"I constantly hear people say they feel humiliated when they go to the welfare office," Manderino comments. "That's the result when [staff] are determining eligibility and watching for who's trying to take advantage of the system. Now they will have to play a totally different role. It can happen, but only with good training."

The state has already awarded the first set of contracts to assist welfare clients with up to eight weeks of job-search and job-readiness activity. Heller says she worked hard to simplify the proposal process so that small nonprofit agencies could compete successfully. Persons interested in future contract opportunities should contact the Department of Public Welfare's Bureau of Employment and Training Programs.

Where will the jobs be found?

With unemployment hovering at around 6 percent and many unskilled jobs being shifted to developing nations, the concept of finding a place in the workforce for welfare families may seem counterintuitive. Nevertheless, supporters of the new legislation see reasons for hope.

Johnson argues that minimum-wage jobs are available in most parts of the state and suggests that many persons on the welfare rolls are already earning unreported income—to which they admit when told they will have to go to work. Heller agrees, indicating that the impressive job-placement statistics in a Pennsylvania quick-attachment pilot are probably due in part to "miracle conversions"—cases in which "We were about to assign people to a job and they remembered they already had one."

Barwick also believes the jobs can be found—if the state actively involves the private sector. In Oregon, he notes, the pilot of the "full employment" model he favors recruited far more employers than were needed, with help from local implementation boards on which the business sector was heavily represented.

Despite the initial attractiveness of public job programs as a way to increase employment options, few are advocating this approach. According to Sheri Steisel, human services specialist at the National Conference of State Legislatures, only New York state thus far has established a public-works project for welfare recipients.

Heller believes publicly created jobs are less effective in preparing people for permanent employment, as well as consuming limited block-grant funds. Barwick points out that welfare recipients who perform work for the government are unlikely to progress into permanent employment there, due to civil-service regulations and contractual and fiscal obstacles. Kukovich recalls that, during the Thornburgh administration, the state provided subsidies to local governments that hired welfare recipients, but municipalities generally found participating in the program more troublesome than beneficial.

Redwood, in contrast, does not favor private-sector employment, suggesting instead that the state seek to subsidize jobs at nonprofit agencies. He believes the profit motive would make private companies more likely to keep their subsidized employees mired in low-wage, part-time positions.

Wendell Primus, former undersecretary at the U.S. Department of Health and Human Services, points out that the best models of quick attachment (such as one in Riverside, Calif., examined in the Manpower study) have been operated by highly competent leaders in areas of high employment, and even there recipients' earnings rose only modestly. Even if our economy can absorb the influx of entry-level workers, Primus believes, wage rates will fall along the way.

Heller says that the Ridge administration is making the expansion of entry-level opportunities a central priority in its economic development strategy. As for the distribution of funds, she says the main principle will be to reward success: "It's a good investment for us to place our money in counties that are closing cash cases."

"It would be unreasonable to give money to businesses unless they guarantee continued employment," Manderino believes, "but I'm not sure if smaller companies can afford to do that due to their business cycles." She believes business will have to be actively involved in designing that component.

Greenberg agrees with Manderino that wage subsidies for private employers must somehow be connected with creation of an opportunity not already existing; otherwise the subsidy will simply finance the employer's decision to hire one category of unemployed person over another.

Berg agrees that "workfare" programs have had disappointing results and that the most successful welfare-to-work initiatives are marked by close ties with local employers. But he doubts that subsidized employment alone can provide the necessary jobs and predicts that, over the next few years, more states will find themselves needing to create public jobs as well. The Oregon pilot project, he argues, required intensive effort and coordination with local businesses, which would be difficult to reproduce on a statewide level. "If you try to find everyone in Philadelphia a subsidized job, you'll be in trouble," Berg says.

"Rather than have an abstract discussion about whether there are enough jobs," Greenberg recommends, "we need to have a policy response for those cases where a parent on welfare, despite the best efforts, remains unemployed. We might hope no one will end up in that situation, but if one person does, there needs to be a response."

Will the necessary funds be available?

Funding is one of the largest questions overshadowing welfare reform. Relatively low caseloads and the extra money available to states entering TANF early suggest that necessary funds will be available initially, but money may become much tighter in subsequent years as the TANF grant amount remains steady and work participation requirements rise.

Berg believes states will face a critical funding shortfall unless they make substantial, effective up-front investments. "Reorienting [the welfare system] is not a cost-saving endeavor in the short run," he emphasizes. "If states take that fact seriously, they may be able to make the program work in the long run."

The Ridge administration seems to be acknowledging Berg's point. Beyond the anticipated infusion of initial funds, Heller says the administration is committed to investing any savings from closure of cash-assistance cases into additional work supports, rather than in other areas of the state budget.

Manderino remarks skepitical of however about the Ridge administration's commitment to moving people off of welfare and into productive work based on her belief that welfare reform cannot be solely viewed as a cost-cutting measure, but must be seen as an investment in people.

Kukovich stresses that without "an expanded human-services infrastructure"—featuring health insurance for children, adequate transportation, and subsidized child care—meeting the work participation goals will be extremely difficult. He seriously questions, especially since so many newer members of the General Assembly have pledged to oppose tax increases, whether the state will have the political will to appropriate these funds.

Primus shares this concern, stating that meeting the new welfare-to-work expectations "will take a greater investment than many of the politicians realize." He doubts that sufficient funds will be available even in the short run, as states scramble to offset cuts in the food stamp and Social Services Block Grant programs and in aid to legal immigrants.

At the same time, an alliance in favor of adequate funding could form between ideological liberals traditionally supportive of human services and conservatives anxious to make the new welfare regime succeed.

Heller says the Ridge administration is considering inclusion of funds for supported employment in the budget it will submit in February. "It's clearly to our advantage to provide a support system for people in their first jobs, so that they have a successful experience and do not simply cycle back into welfare," she comments.

Greenberg expresses concern that "the block grant structure effectively freezes federal funding, creates strong incentives for states to withdraw state funding, and leaves states with essentially no requirement to provide assistance to poor families. States may have sufficient funding to test new and constructive policies, at least until the next recession. At the same time, states will find themselves under increasing pressure not to do more than their neighbors. Whatever the pros and cons of the structure, it's now here, and the policy challenge is to develop the most constructive program possible within the new framework."

What to do now

As welfare reform proceeds into uncharted territory, the experts agree on only two points: no one knows what will happen next, and states will be carefully watching each other's results.

Heller urges local leaders and providers work together in determining how best to help families in their community and how the state can help them. Just as the federal government has granted new flexibility to states, Heller says her department will in turn pass much of the control down to the local level. "When people say they're waiting to get the new handbook pages from me," she explains, "I tell them they should be getting together now and deciding what they want to do locally. Our job [at the state level] will be to remove obstacles so they can do it." As one specific example, she says the availability of third-shift jobs in Washington County has caused agencies there to seek ways to provide nighttime child care.

Heller would also like to see human-service providers help to erase the image of certain careers as "dead-end jobs." She says major employers like Hershey Foods and Eat 'n Park Restaurants, which offer significant promotion opportunities for successful employees, complain that the negative image attached to work in their sectors hinders their ability to fill openings. She urges agencies that have specialized in job training thus far to develop the capacity to support clients following job placement.

On the transportation front, Steisel notes that New Jersey took the politically gutsy step of using vans formerly reserved for senior citizens to transport welfare clients to jobs. Heller has suggested to charitable groups seeking a useful way to contribute that they donate a fleet of used cars or finance low-interest car loans.

Johnson of the Senate Health and Public Welfare Committee sees a role for nonprofit organizations in structuring suitable employment for welfare clients with limited skills. "I hope nonprofits will provide a viable outlet for some of these individuals," he says; "I hope they *don't* become enablers" offering an escape from work expectations.

Redwood endorses Johnson's suggestion but points out that nonprofits will need funding assistance in providing supervision for these additional employees.

Berg argues that, given the considerable uncertainty at to what programs will succeed, states must incorporate good assessment and evaluation strategies from the beginning. He sees research and evaluation as a natural role for nonprofit foundations involved in welfare issues.

Probably many other needs, as yet undiscovered, will arise. Heller expects reform to move by an "iterative" process, with fine-tuning to correct problems taking place along the way. When one attended at the Institute of Politics forum predicted an increased need for dispute resolution services and offered to help in that area, Heller quickly replied, "Don't leave without giving me your business card."

In addition to collaborative local planning, agencies can help in educating clients as to the new expectations. Across Pennsylvania, according to Heller, the level of understanding varies widely, with clients in some regions frantically clamoring for job training before their time limit runs out while others calmly assume this threat will pass just like previous so-called reforms.

Because of the new ban on aid to legal immigrants, some agencies may wish to specialize in assisting persons through the naturalization process. Others may concentrate on recruiting employers or on structuring viable training programs within the new 12-month maximum period during which education activities qualify as meeting work obligations. Christopher Ward of the University of Pittsburgh's Generations Together program, in a recent essay, advocated mobilizing older adults as job mentors for welfare recipients.

Redwood recommends that nonprofit and community groups concentrate on organizing low-income persons for more effective advocacy in the future. "If a constituency isn't organized, it won't have a voice at the table," he says. "The fate of low-income people is being decided by people with higher incomes."

Steisel urges caution in reviewing early "evaluations" of state efforts. "I'm astonished by the positive media evaluations of states that have barely started," she says. "People are looking for magic from another state, and right now there isn't any."

While other states have rushed to enter TANF, Pennsylvania is proceeding more resolutely, and Heller says it will "take very seriously" the 45-day comment period stipulated by federal law, thereby providing additional opportunities for discussion about how the state will proceed.

As AFDC enters its last months, welfare in Pennsylvania—and across America—is marked by pervasive ambiguity; by a predictable mixture of hopefulness and pessimism; and by universal recognition that the decisions of the next few years will have immense impact on the real lives of millions of American families in poverty.

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