

**Utah Welfare Reform Reauthorization  
Round Table**

**March 15, 2002**

**Summary Report**

by

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## I. Project Description

By October 2002, Congress must reauthorize the Temporary Assistance for Needy Families (TANF) program and several other components of its 1996 Welfare Reform Law. This fact, coupled with experiences across the nation during the first five years of the new welfare system, provides a great opportunity for a broad range of interested parties to consider positive changes for the next phase of welfare reform and to participate in the reauthorization process to convey their views. Utah's Welfare Reform Reauthorization Round Table responds to this opportunity.

Utah is among several states that have valuable information to offer during the 2002 reauthorization discussion:

- Utah's 30 years of experience with welfare reform has resulted in valuable expertise and some positive policy innovations that warrant attention by Congress. Additionally, important research has been conducted, primarily by entities within the University of Utah.
- Utah has a long history of productive interchange regarding social welfare policy involving advocacy organizations, public entities, private service providers, state and local government, the business community, religious groups, and grassroots organizations.
- Some key groups are already engaged in matters related to upcoming welfare reform reauthorization. For example, since April 2001, the Utah Reauthorization Project (UREAP) has been engaged in identifying and discussing needed refinements to the congressional welfare law. Various local entities, groups, and organizations have been learning about reauthorization, as well.
- The national connections of some of Utah's key elected and appointed officials bring additional expertise into Utah and enhance the chances that the results of Utah-based reauthorization activities will be considered by Congress and the Bush Administration.
- Congress will look to Utah's Congressional Delegation during reauthorization discussions, for the above reasons. Particularly Senator Orrin Hatch will play a pivotal role as a member of the Senate Finance Committee.

Utah is one of four states selected by the Charles Stewart Mott Foundation and the Center for Law and Social Policy (CLASP) to participate in a project called "TANF Reauthorization: Promoting State-Level Involvement and Building Consensus." The project in Utah is known as the "Utah Welfare Reform Reauthorization Round Table" and featured a day-long meeting on

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March 15, 2001 at the Horizonte Instruction and Training Center in Salt Lake City (see Appendix A for the meeting agenda).

The purpose of this event was to promote broad, state-level involvement in considering what welfare reform reauthorization may and could mean for Utah's support system for low-income families and to identify key related issues about which consensus exists. The Utah Round Table brought together state legislators, state budget analysts and legislative staff, local Congressional staff, non-profit and local government service providers, researchers, representatives of religious groups, state agency administrators, members of the business community, ethnic leaders, consumers, and representatives of grassroots organizations. Going into the event, it was acknowledged that diverse groups may disagree about aspects such as the role of time limits or charitable involvement in welfare reform. However, those same groups may agree on matters like the need for Congress to preserve or increase funding, ensure state flexibility to design programs and services, or to facilitate state efforts to strengthen supports for working families and families with the most serious employment barriers. A total of 65 attended the Round Table (please see Appendix B for a complete list). This number included 51 participants, as well as panelists, resource people, and facilitators and scribes for small groups. Attendance was by invitation only to ensure representation of diverse sectors within the state.

Advance reading materials were provided to all meeting participants. This was done out of an understanding that participants had differing levels of exposure to and expertise with pertinent information relating to welfare reform. A document entitled "Briefing Paper" (please see Appendix C) includes, 1) a 30-year history of Utah's efforts to assist welfare recipients to become self-reliant, 2) a summary of key components of the 1996 Congressional welfare reform law, 3) major operating policies of Utah's TANF program—the Family Employment Program (FEP), and 4) a discussion of ten lessons Utah has learned from the first five years of welfare reform. A second advance document entitled "Major Reauthorization Issues" (please see Appendix D) was designed to help participants gain a working background in the primary issues attracting attention as reauthorization approaches. It also presents 50 proposals for change related to those issues that enjoy at least a fair degree of consensus among national observers and students of welfare reform reauthorization. The latter document was also used very specifically during Round Table activities, as described below.

The events of the day were structured to further educate participants and to encourage them to work together to consider what might be best for Utah in the course of welfare reform reauthorization. It is expected that the Round Table enhanced the ability of participants to effectively take part in the reauthorization process. Subsequent activities to this end will be tracked and summarized after Congress has acted to reauthorize and refine welfare reform.

## II. The Round Table - Overview of the Day

The Utah Welfare Reform Reauthorization Round Table was designed to be primarily a working meeting. It began with presentations to the entire body of participants.

Governor Mike Leavitt was represented by his Chief of Staff, Rich McKeown, welcoming participants to the event. He assured those in attendance that welfare reform reauthorization is an issue about which the Governor cares and that he will be working on it through his connections. He commended the group for assembling in a Round Table forum for the purpose of discussing the issues and seeking consensus. Speaking about the value of consensus processes, he illustrated the importance of discussion and interchange by describing a successful case of mediation with which he had personally been involved as an attorney. He recommended the lessons of the book *Getting to Yes* by Roger Fisher. Coming together for principle-based discussion has value. It will produce results.

A panel provided background information and continued to set the stage for the day, as follows:

*Jillynn Stevens, a Ph.D. student at the University of Utah*, was on welfare for three and a half years during the 1980s. Acknowledging that the experience was demeaning and frustrating, she nonetheless credited the help she received from the welfare system that has enabled her to move forward. Her primary message was that welfare can be a tremendous investment in people. The best way to realize a return on that investment, she said, is to ensure that welfare recipients are enabled to obtain education and training that will maximize their earning power. She reported that, while she had received \$16,000 in financial assistance and Food Stamps while on welfare, now that she has completed a Master of Social Work degree, she is earning \$60,000 annually. She has paid \$60,000 in federal income taxes since 1987, and, if she works until retirement at this same rate, she will have paid an additional \$150,000 in taxes. This will give the federal government a 1200 percent return on their investment in her while on welfare.

*Shirley Weathers, Walsh & Weathers Research and Policy Studies*, talked about Utah's experience attempting to emphasize self-sufficiency within the old welfare system. Beginning with a successful effort in the early 1970s to extend Medicaid eligibility for three months to families leaving welfare for work, Utah struggled for over two decades to convert welfare from a system that delivered checks effectively, but punished recipient efforts to work and leave welfare. Utah made changes "around the edges" until the implementation in 1993 of the Single Parent Employment Demonstration (SPED) program. To make that program work, Utah sought and received over 40 waivers of federal regulations—permission to break that many federal rules across

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Aid to Families with Dependent Children and other supportive programs to end disincentives they posed to accomplishing self-reliance.

*Robin Arnold Williams, Executive Director of the Utah Department of Human Services and Chair of the American Public Human Services Association's Committee on Welfare Reform Reauthorization*, reviewed the changes made by Congress in 1996 and indicated important areas for refinement through reauthorization. She described how states and Congress agreed at that time that funding for the welfare program would be block granted and time limited, and that states would be granted broad discretion over how to design and run their programs. The "deal" made by Congress and Governors in 1996 benefitted both the federal and state governments, but in 2002 issues like funding, flexibility, and related program services are still at the heart of the discussion. States want additional flexibility to design their own programs for their own people. They desire to use federal funding without prescriptive rules and penalties, and are willing to continue to commit their own financial resources via the Maintenance of Effort (MOE) provision instituted in 1996. Tougher participation requirements for two-parent families, narrow definitions of "countable" activities, participation rates that turn on too many specific definitions, and unrealistic hours of participation are areas of contention. Consistency in child support policies across the country, streamlined Food Stamp policies for working families, and general support for working families are areas of agreement. Robin conveyed her hope that everyone present would make the most of the opportunity to refine welfare reform in ways that would benefit the state and its families through the reauthorization process.

*Mark Greenberg, Senior Staff Attorney at the Center for Law and Social Policy (CLASP)*, summarized some of the major Reauthorization issues being talked about in Washington and noted that Round Table participants are asked at this event to discuss how some of the related proposals would affect Utah's experience. Utah's opinion is important. Mark described reading Utah's SPED waiver application in 1992. He was impressed by the Utah goal to raise family income through employment and child support and the policy directions proposed to accomplish that goal. He has followed Utah welfare policy since, as have other states and national organizations. Utah was chosen by CLASP and the Mott Foundation to be one of the four states to host Round Tables because of its experience and accomplishments.

In discussing major issues, he noted that funding is critical, but said that many parties are lining up behind a status quo funding level. Child care funding will be controversial now that the Administration proposes to freeze funding. House Democrats have been calling for substantial increases. Marriage policies are being discussed in D.C. as benefitting children. The Administration proposes funds for states to run demonstrations related to marriage; there are differences of opinion on how much should be made available for this. Democrats support efforts to encourage marriage, but caution about domestic violence, the potential consequences of pressuring people to stay in bad marriages, and excessive intrusion into private lives. Time limits are fairly broadly accepted, but some are calling for exceptions if families are working. The 20

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percent cap on exemptions is being questioned as caseload numbers grow smaller and the remaining long term families make up a higher proportion of those caseloads. Benefits for immigrants are being discussed. Some propose further softening of eligibility restrictions and some oppose any change.

Mark stressed, though, that the set of proposals around work requirements seem to be the most controversial issue. The Administration is calling for universal engagement within 60 days of enrollment and requiring that states meet more stringent work participation rates. The Bush proposal increases percentages of caseloads that must meet participation requirements up to 70% participation by 2007, and provides that, to be counted towards meeting participation rates, parents must have 40 hours per week of involvement, 24 hours of which must be spent in a narrowly defined set of work activities. Participation in mental health counseling, rehabilitative activities, and job training will not be countable beyond three months. The President takes the position that, since requiring work has worked, requiring more work will be better. States and other observers are claiming that the combination of these measures is unrealistic.

*Irene Fisher, University of Utah*, drew on her experience of working with groups in consensus processes to introduce the definitions and techniques that would be employed throughout the remainder of the day. She noted that values are central in a consensus process, in that the perspectives of all stakeholders in the area of concern matter and decisions that take into account all of those perspectives are more solid, work better, and are more sustainable. The process can vary. One approach requires 100 percent agreement to the substance of a decision. This approach is generally very time-consuming. Another approach yields consensus when 100 percent of people involved believe they have been thoroughly and completely heard and considered in the ultimate decision. Even if some still do not totally agree, all are willing to live with the decision of the group.

Irene acknowledged that the task at hand at this event requires some modification in the process. There would not be time to look in depth at 50 proposals and work through differences on the road to a common ground position on each. But she encouraged people to embrace the value that the views of all would be respected and that an effort would be made to hear everyone's views within the time constraints. She indicated that each small group would proceed through the proposals, taking some time for discussion and clarification when needed, and then measure for consensus using a "thumbs up," "thumbs side," and "thumbs down." "Consensus" would be recorded if all or most participants supported the proposal. "Partial Consensus" would be recorded if agreement was more mixed, but still the majority indicated agreement. "No Consensus" would mean that the group was divided. It would also be possible for a group to take a position of "No Opinion." Irene expressed hope that the events of the day would contribute to a sense of a Utah approach to the next phase of welfare reform that would fit for our community.

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Participants then divided into six small groups to consider the strengths of and future goals for Utah's TANF program. Group membership was predetermined so that each group would roughly mirror the diversity of the whole body of participants. Facilitators led each group in a brainstorming process. They were asked to identify what has succeeded in the state's efforts to support families and to articulate where changes or improvements may be sought as future goals.

During the second break-out session, participants were divided into six small groups with different memberships from the morning session. The new groupings were again organized to achieve diversity. Their task was to focus on 50 proposals that appear to enjoy some degree of consensus nationally and ascertain the degree of consensus that existed among group members on each those recommendations. All six groups produced tallies of the degree of consensus achieved on each of the proposals and brought them to the plenary session.

The plenary session again measured consensus. First, the results of the second six groups were compiled. Areas of consensus across all six groups were acknowledged, using the same definition of "consensus" as was operant throughout the day. Then, there was considerable discussion of a number of areas where there was some degree of divergence apparent or where clarification was desired. The results of the combined work of the second break-out and plenary session are presented below.

## II. Key Outcomes

### **Utah's Family Employment Program (FEP): Successes and Future Goals for Utah's TANF Program**

Small groups in the morning session were asked not for consensus, rather to brainstorm. The subject was Utah's TANF program, the Family Employment Program (FEP) and the task was to generate two separate lists: successes and future goals. Time was spent in each group exploring and clarifying items on the list at the end of the session. (Please see Appendix E for the verbatim representation of the outcomes from each small group.)

Analysis of the results of this brainstorming process overall appears to attest to the diversity of the group. Differing views on some points related to FEP is evidenced. For example, time limits were both applauded and the subject of a number of suggestions for change. Several items implied or directly suggested greater government involvement in meeting the needs of welfare recipients, while urging for less government and more informal, community support appeared, as well.

Three additional notable observations can be made about the work of these groups. First, the vigor and sincerity of participants in envisioning a better welfare system in Utah is unmistakable. Second, once again the appropriateness and productivity of involving a broad range of sectors in discussions of social policy was demonstrated. As noted earlier, Utah policy-makers and other groups within the community have been in the habit of talking together and negotiating solutions for a long time. However, this event cast the net even wider into the various sectors that may be expected to have an interest than is customary. Still the interchange was positive and productive. Group facilitators reported a sense of mutual respect and openness for ideas and values among their members. Third, confidence in the state and community's ability to formulate and direct positive welfare policies was common thread. State, not federal, decision-making was credited for many successes of FEP and some hopes for the future were pinned on existing or increased state flexibility.

It must be stressed that the group process of brainstorming is quite unrelated to any definition of a consensus process. Nonetheless, there were a number of somewhat frequent themes taking the work of all of the groups together. We offer the following synopsis:

#### Successes of FEP

- Increasing the work participation of welfare parents
- Transitional services and supports
- State flexibility in determining a range of policies

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- Increased collaboration on many levels
- The continuation of Utah innovations (e.g., universal participation, individualized planning, broad range of allowable activities, increasing income)
- Increased effectiveness of child support collection
- Greater emphasis on education and training than in the federal law
- Interaction/dialogue on policy issues involving broad range of interests
- Integration of services and supports across agencies
- More child care resources than before
- Information gained from follow-up studies
- Awareness of greater needs of some families
- Employer involvement

### Future Goals

- Modify time limits, including raise Utah's time limit to 60 months
- Mechanisms to provide health insurance coverage beyond Medicaid
- Greater state flexibility to define "participation" and "activities"
- More effective solutions/strategies for multiple-problem families
- Greater efforts for affordable housing
- Enhanced EITC and more effective outreach to increase utilization
- Greater cultural competency and more inclusive approaches
- Training for case managers on recognizing and responding to individual and family barriers
- Better assessment processes
- Better model for self-sufficiency planning
- Rewards for meaningful/long-term outcomes, rather than simply caseload reduction, participation for its own sake, etc.
- Greater use of education and training to increase earning power, including through the use of MOE funds
- Increase consideration of and support for self-employment for welfare parents
- Increase the number of exemptions to time limits that can be granted
- Improve regulatory interaction among supportive programs
- Maximize pass-through of child support collections to children
- Provide solutions to transportation problems where they exist
- Implement strategies to enhance job retention and increased earnings
- Focus on children and their well-being
- Broaden focus to include the "working poor"
- Support initiatives for non-custodial parents
- Expand services to childless adults
- Ensure adequate funding for TANF
- Develop strategies to integrate focus of welfare, economic development, and job creation

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- Remove the sales tax on food
- Strengthen the system so that it supports a diversity of needs, rather than “one-size-fits-all”
- Create a more educated public about the issues of welfare
- Increase the profile of consumer input in policy-making
- Utilize the “Self-sufficiency Standard” as a tool for planning and measuring needs and outcomes, rather than retaining the ineffective Federal Poverty Level
- Greater flexibility for state decision-making with regard to time limits
- Conduct more vigorous tracking studies
- Make the reduction of poverty a goal
- Increase collaboration and community partnerships
- Develop partnerships with Indian tribes and local entities
- Address the special circumstances in rural areas
- Develop better strategies for people who will never become self-sufficient
- Develop better strategies for people who leave welfare due to time limits
- Allow states flexibility to utilize mental health and substance abuse effectively to support those who need treatment
- Expand child care services

### **Major Reauthorization Proposals: Areas of Consensus**

The work of the six small groups in the second break-out session and of the whole body during the plenary session was related. It focused on seeking to measure consensus on a set of 50 middle ground proposals for action during reauthorization. As noted, those proposals were provided in advance to participants in the second of two briefing documents, entitled “Major Reauthorization Issues.”

The process used in both situations reflected the explanation about consensus and its use during this event provided by Irene Fisher during the morning panel presentation. As such, small groups went through the proposals, engaged in a short discussion on each so that all could register their view, followed by an opportunity for all members of the group to indicate agreement.

There was a substantial degree of consensus—during small groups, taking all small groups together, and during discussions that took place during the plenary session. Upon compiling the results of the six groups, 38 of 50 proposals had attained “consensus” in either all six groups or in five of six groups, where in all cases, the proposals had attained “partial consensus” in the sixth group. Plenary session participants developed and adopted a new proposal based on discussions in several small groups, and two additional recommendations were modified by the group as a whole and added to the consensus list for a total of 41 (82 percent).

Other proposals were discussed, but although not resolved, a recurring theme emerged once again and even more clearly than during the morning break-out session: the critical need for increased state flexibility across TANF and all related programs. Time and again, during the plenary session and small group discussions, concerns were expressed over proposals that seemed to open the door to increased federal directives over states, and support for proposals specifically calling for more state flexibility to determine locally how to meet needs almost invariably gained a resounding “thumbs up.”

The following proposals are the 41 proposals emerging with consensus from the Utah Welfare Reform Reauthorization Round Table:

#### TANF - Funding

- Renew the TANF Block Grant for an additional six years, funded at least at the current base level of \$16.6 billion annually, as well as the current state-by-state allocations. Annually index future TANF funding for inflation over the period of FFY2003- FFY2008.
- Ensure that Tribal TANF programs are continued, adequately funded, and given access to incentives, bonus, and technical assistance as are states.

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- Reform the federal Contingency Fund to make it more effective for and accessible to states in times of recession.
- Renew Supplemental Grants to states with historically low federal welfare funding per poor person and/or rapid population gain.
- Maintain the current state Maintenance of Effort (MOE) requirement.
- Avoid creating federally mandated set-asides of baseline TANF Block Grant allocation funds for specific purposes.
- Clarify the definition of “assistance” for purposes of TANF funds expenditure so that child care and other work supports will not be defined in ways that cause a client’s “time clock” to run.
- Amend TANF law to allow states to use federal funds to cover legal immigrants who are otherwise eligible.

### TANF - Family Issues

- Take as a guideline on any policy related to marriage that the government should do no harm, i.e., avoid provisions that insert government into marriage in ways that could jeopardize families or act as a detriment to the privacy and sanctity of marriage. (Developed during the plenary session.)
- Encourage states to focus efforts on activities and policies that will reduce family and child poverty and enhance child and family well-being.
- Support demonstration programs and their rigorous evaluation, so that states can experiment with programs to further TANF goals related to family formation.
- Provide funding to allow states to expand non-custodial parent initiatives that focus on removing employment barriers, paying child support, and learning cooperative parenting, so that, where appropriate, they can play a positive role in their children’s lives.

### TANF - Multiple Problem Families

- Give states the flexibility to develop programs and resources to assist families with severe or multiple barriers to employment to overcome them. (Developed during the plenary session.)

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- Provide incentives to states to run demonstration programs focused on how to provide work experience to adults with multiple barriers to employment.
- Strengthen efforts and expand funding for domestic violence prevention programs.
- Broaden “countable” activities for purposes of meeting work participation rates to include activities multiple problem families need to remove barriers to employment, e.g., mental health counseling, domestic violence services, substance abuse treatment, and other types of rehabilitation services.

### TANF - Time Limits and Sanctions

- Allow states the option of “pausing the time clock ” when families are working at least part time.
- Require a due process/conciliation mechanism for families at risk of sanction to increase the likelihood that they resume participation and minimize case closure.
- Fund research on outcomes for welfare leavers whose cases are closed due to time limits and sanctions.

### TANF - Job Retention and Advancement

- Provide incentives to states that help former welfare recipients obtain better jobs.
- Allow states more flexibility in their use of education and training so that they may do more to increase earning power, job stability and retention, and boost opportunities for families to obtain employer-provided health benefits.

### TANF - Work Participation

- Allow states flexibility to determine which activities will assist their families to pursue employment and allow those activities to count towards federal work participation rate requirements.
- Ensure that Tribal TANF programs have the flexibility to allocate resources, define work activities, and otherwise adapt their programs to the unique circumstances and high unemployment of the population they serve. Direct the U.S. Department of Health and Human Services to develop rules governing Tribal TANF programs in consultation with program officials and other tribal representatives.

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### Medicaid

- Reauthorize and simplify rules for TMA to assist families leaving TANF for work, but who do not receive health care coverage through their jobs, and ensure that families retain their eligibility for 12 months without requiring periodic recertification.
- Terminate the Medicaid three-of-six-months eligibility rule so that TANF families who are diverted or find employment quickly can access Medicaid if necessary.
- Enhance Medicaid and Medicare collaboration to address policy and operational issues that impede effective coordination of these two programs.
- Revise Medicaid and State Children's Health Insurance Program (SCHIP) statutes to permit blending of public and private insurance coverage and continuity of care.
- Allow states to serve legal immigrants who are otherwise eligible with federal Medicaid dollars.

### Child Care

- Increase appropriations and options for child care funding by taking action, in addition to securing current funding levels, to allow states to expand the supply of child care of types for which there are known shortages, i.e., non-traditional hours and care for ill-children, children with disabilities, infants, and toddlers.
- Preserve state authority to transfer up to 30 percent of the TANF Block Grant into CCDBG and to spend TANF funds directly on child care;
- Restore the Social Services Block Grant (SSBG) to \$2.38 billion to assist states in funding child care.
- Expand the Child Care and Dependent Care Tax Credit by increasing the current maximums, and make it refundable so that it will benefit very low-income working families.
- Eliminate federal rules that make a distinction between "assistance" and "non-assistance" child care expenditures.

### Child Support

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- Take further steps to ensure that child support collections go to “families first,” including collections made on behalf of TANF families.
- Direct states to finance child support to allow maximum pass-through of collections to families. (Developed during plenary session.)
- Expand services to low-income, non-custodial parents to help them gain employment and pay their child support.

### Food Stamps

- Support \$8.9 billion in new ten-year funding for nutrition as provided in S. 1731.
- Support restoration of eligibility for Food Stamps to legal immigrants as provided in S. 1731.
- Support mitigations to the time limit on Food Stamp eligibility imposed on jobless, childless adults as provided in S. 1731.
- Support quality control improvements so that states are facilitated in serving employed Food Stamp recipients.
- Support a six-month transitional Food Stamp benefit for families leaving TANF.