

M O N T A N A  
**Policy Review**

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**WELFARE REFORM: THE MONTANA SITUATION**

The Challenge of Tracking the Success of Welfare Reform

*Richard L. Haines*

Coping with Block Grants in Montana: Focusing on Community Activation and Advocacy

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Montana's Welfare Reform: Families Achieving Independence in Montana (FAIM)

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Welfare Reform Capacity of Montana County Government: An Analysis  
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Welfare Reform: The Not-for Profits' Viewpoint

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The Welfare Reform Issues Facing Montana

*Stephanie Gray*

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*A biannual analysis of public policy issues confronting Montana's communities and those who serve them.  
Made possible by the Northwest Area Foundation.*

# M O N T A N A Policy Review

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## REFLECTIONS ON LOCAL GOVERNANCE

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The passage of a welfare reform bill by the Congress this year means that at least two things will happen. Welfare spending by the federal government will be reduced over the next several years and so will the welfare case load.

For many observers, these twin outcomes are sufficient to declare victory in the decade long struggle to reform public assistance. However, few county commissioners and even fewer county welfare directors are ready to celebrate. They know that Montana state government will be hard pressed to maintain current funding levels for human services, let alone offset the cuts that will be made by the feds. Local officials also know that there will not be enough community service jobs to enable needy families to transition to the economic independence envisioned by FAIM and the Welfare Reform Act.

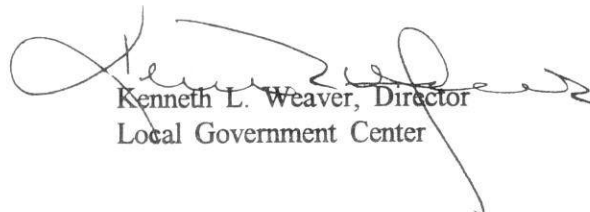
In short, local officials understand that even though the case loads of needy families, women and children will inevitably be reduced simply because of reduced funding and time-limited benefits, the truly needy will still be there. In their heart of hearts county officials know that the buck will stop in the county courthouse and that they and their county taxpayers will soon have some very painful decisions to make.

Thanks to the vision of the Northwest Area Foundation of Saint Paul, Minnesota, grant re-

sources have been made available in the states along Jim Hill's "High Line" to assist county governments and the not-for-profit service delivery community in coping with the local impacts of welfare reform. The Women's Opportunity Resource Development Center (WORD) in Missoula and the Local Government Center in Bozeman are the grant co-administrators

The two primary goals of the three year grant are first to assist counties in activating community based partnerships between county government and the non-governmental service providers such as church groups, the food banks, HRDCs etc. Secondly, we intend to document the local outcomes of welfare reform and the community activation process. Both components of the program are now underway and are described in some detail in this edition by Judy Smith in her piece entitled "Coping With Block Grants in Montana".

It is our belief and the foundation of our community activation assistance project that without a cooperative, multi-agency partnership at the local level to provide direct input to state and county policy making and to coordinate the programming and local delivery of human services, welfare reform will turn out to be little more than a shift of tax burden to the lowest possible level.



Kenneth L. Weaver, Director  
Local Government Center

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## THE CHALLENGE OF TRACKING THE SUCCESS OF WELFARE REFORM

by Richard L. Haines\*

*Current welfare reforms provide an opportunity to assess the accomplishments of a radically new approach to dealing with poverty in America. It is particularly timely in the context of the recent emergence of new ways of managing government programs nationwide which stress accountability for actual performance rather than only cost and compliance with regulations.*

Since the 1930's the primary purpose of low-income family assistance programs such as AFDC has been to ensure a basic standard of living for children who lack parental support due to absence, death, disability or unemployment of one or both parents. Over the past few years, however, the focus has shifted away from immediate concern about the well-being of poor children toward providing opportunities and incentives for their parents to become financially self-sufficient. In effect, one hopes to "empower" families as the chief service providers for their children.

The culmination of this attempt to "end welfare as we know it," was the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," under which most federal low-income assistance funds are being allocated to the states in the form of block grants intended to provide "temporary assistance for needy families" while they work their way out of poverty.

Support for low income families with children is typically handled at the county level where there is a complex of public, non-profit and voluntary organizations. It is at this level that efforts and accomplishments must be assessed. Ultimately it will be necessary to consider the capacity of the entire local system by which relief is made available, but the thrust of recent reforms has been to "reinvent" government operations, and that is the focus here.

Current welfare reforms provide an opportunity to assess the accomplishments of a radically new approach to dealing with poverty in America. It is particularly timely in the context of the recent emergence of new ways of managing government programs nationwide which stress accountability for actual performance rather than only cost and compliance with regulations. This new "accountability for performance" mode of public management stresses identification of where we are, in terms of tangible measures of public needs or intentions, and where we want to be in the future. This appraisal should be based on an objective evaluation of the needs and resources available

at the county level, the efficiency and quality of management, and the system's actual accomplishments.

Objectivity these days implies quantification; developing measurable indicators to trace events of interest. There seems no escape from this. Consequently, one must be on guard against the possible misleading use of data or the perverse incentives sometimes built in when we rely heavily on the numbers. The following is a preliminary listing of what might be measured to assess the success of welfare reform, along with a few "red flags." It is both inevitable and desirable that the "stakeholders" in the field of low-income family assistance would amend this list.

## NEEDS AND RESOURCES

The activities and accomplishments of a countywide low-income family service system are driven primarily by two things: (1) The need for those services, and (2) The resources that are available.

### Measuring Need:

The need for assistance determines the burden to be borne in attempts to provide assistance, and this is driven by the number of families who meet the eligibility standards determined by statute. The criteria should reflect, as tangibly as possible, the stated program objectives. Necessarily, this requires some measure that determines how many families in a county are incapable of providing a "basic standard of living" for their children. Given the aims of recent welfare reform, any decrease (or increase) in this number may be attributable, at least in part, to the intervention of the assistance and service providers.

The possible problem with this measure is that it not the same as "caseload," which is a work measure of use in assessing efficiency and productivity. What we need, in order to assess the results of welfare reform, is some measure of achievement based on the aim of reform; to reduce the number of children living in families that are not financially self-sufficient, whether or not they

apply for benefits and become official "cases."

### Measuring Resources:

Total resources available for low-income family assistance are a function of the time, effort and financial strength of a variety of public, non-profit and voluntary assistance providers in the county. However, since the intent of Federal welfare reform is to better serve the needy by rearranging the mode of intergovernmental financing, the focus, at least initially, should be on the funds available at the local government level, including own-source revenue. Other resources for low-income family assistance, many of which are not so easily identifiable, will have to be taken into account in an overall assessment the effectiveness of welfare reform.

*What is needed in order to assess the results of welfare reform, is some measure of achievement based on the aim of reform; to reduce the number of children living in families that are not financially self-sufficient...*

## MANAGEMENT PERFORMANCE

The administrative goals are to operate such a program as accurately and economically as possible, and in a time-efficient manner. Typically there are many such measures that have been used over the years, and reported to the state and Federal governments. These tell us how well the program is being administered, and give us some basis for assessing cost-effectiveness. In terms of the new managerial approach, such measures can be employed to establish "baselines and benchmarks," which are necessary if public low-income assistance is to be held publicly accountable for performance. Baselines are measures of current or past performance, while benchmarks are performance goals set by stakeholders for the near or long term.

Measures that address management performance should include:

### **Financial Efficiency**

- The administrative cost of the program as a percent of total cost.
- Total staff hours related to the number of recipients assisted.

### **Timeliness**

- The percent of total cases processed, and redeterminations and hearings accomplished within some set time.

### **Accuracy**

- Eligibility determination, caseworker decision, and client information error rates.
- Percent of overpayments (or underpayments) recovered (or remitted).

One obvious problem with these measures is that improvements in efficiency and timeliness may come at the cost of accuracy, and therefore of fairness and effectiveness. Hence, measures of efficiency and timeliness should only apply to cases in which all determinations are accurate.

A more general point, of course, is that these measures help in evaluating the quality of management rather than the effectiveness in addressing the new goals of low-income family assistance. Managerial performance and program accomplishment are not the same thing.

## **ACCOMPLISHMENTS**

The measures of the actual effectiveness of low-income family assistance programs are rather scarce in current reporting. Change in the number of families served, the caseload, is often used as a surrogate measure of accomplishment, but this is simply a measure of agency workload, or "busyness," with which, along with costs or staff hours, we can assess efficiency or productivity if we choose. Accountability for managerial performance is vital in an attempt to increase productivity in the use of public money, and to reestablish public confidence in the

provision of social services generally, but it does not directly address program effectiveness.

If the purpose of the new approach to assistance is to help and encourage low-income families with children to become financially self-sufficient, then it is necessary to identify the number of such families that are not self-sufficient within each jurisdiction and then track their progress as the reforms take hold. The difficulty with this is that, while management performance is easily tracked because the data is readily at hand, measures of effectiveness require new data collection efforts.

In particular, it seems essential to devote resources to surveying the local community to determine what proportion of families with children are eligible for assistance under the law, and, among these, how many are being served. This would provide an indicator of the responsiveness of service efforts to community need, and would avoid assessing program accomplishments solely by tracking those informed about, and not discouraged by the application and qualification process.

Finally, given the clear intent of the new law, public service providers should be assessed according to the proportion of cases in which support is reduced or terminated due to long term employment.

The obvious caveat with respect to this last measure of performance is that there are factors over which public agencies have little or no control that will affect program outcomes. The availability of suitable jobs comes first to mind. But, at the same time, there are the substantial contributions made by non-profit and voluntary service providers in the community. What's implied by this is that assessment of the effectiveness of welfare reform should ultimately include the efforts and accomplishments of all local participants, among which, unfortunately, the public entities may have to assume the main burden of accountability for performance under current reforms.

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\* Dr. Richard L. Haines is an Assoc. Professor of Political Science at Montana State University. He teaches classes in research methods, public budgeting and finance.



# COPING WITH BLOCK GRANTS IN MONTANA: FOCUSING ON COMMUNITY ACTIVATION AND ADVOCACY

by **Judy Smith** Executive Director of Women's Opportunity and Resource Development, Inc. (WORD)

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*The federal government has devolved responsibility for meeting the basic needs (shelter, food, transportation) of low income families and children to state and local governments and is handing over, with significant strings attached, a 5 year capped fund (entitled Temporary Assistance to Needy Families) that allows for no inflation, population growth or economic downturn. What will the effect of this be on Montana communities and low income residents?*

**T**he Coping With Block Grants Project is built on the premise that informed community decision making, based on partnership between families, advocacy groups, service providers and local government, is key to Montana's response to the impact of federal block grants and budget cuts on low income families and kids.

## **Block Grants Are Here**

Federal public assistance block grants and budget cuts have come to Montana. As of October 1, AFDC (Aid For Families With Dependent Children) no longer exists as a federal safety net for low income families and children and the Food Stamp and Supplemental Security Income programs are severely cut. The federal government has devolved responsibility for meeting the basic needs (shelter, food, transportation) of low income families and children to state and local governments and is handing over, with significant strings attached, a 5 year capped fund (entitled Temporary Assistance to Needy Families) that allows for no inflation, population growth or economic downturn. What will the effect of this be on Montana communities and low income residents?

## **Block Grant Impact Questions**

As decisions about programs that benefit low income families and children move from federal to state and local levels, who will decide how limited funds are spent? Will the Department of Public Health and Human Services continue it's current initiative to encourage decision making in human services to move to the local level? If government programs are cut, who responds to the needs of families who live in Montana communities? Will those most affected by block grant decisions - low income families, community advocacy groups and service providers, and local government - be at the table when the decisions are made?

to meet essential needs? Montana state and local governments have largely relied on federal resources with established eligibility standards to fund low income programs and have limited experience in deciding how to invest resources to address low income residents needs. After General Assistance was defunded by the state in 1993 there was a wide disparity in local government willingness to use local resources to create basic needs programs. Will decisions be different now that families and children are the ones at risk of hunger and homelessness?

With less government funds available, will already strained community resources be required to create some sort of safety net? Montana churches, food banks and United Way report they are already unable to meet the needs in their communities much less pick up the government's role. What happens if funds run out?

What about impacts on community service providers and advocacy organizations? What is their capacity to be creative with limited funds? Can decisions about service priorities, implementation and evaluation work better at a local level where needs and limited resources can be matched in new and locally tailored ways?

Much is changing now in how we respond to the needs of low income families and children. It's clear the old familiar ways of doing business are ending. The Coping Project funded by the Northwest Area Foundation is working to ensure that the discussion of new ways of doing business includes the voices of those most affected by the changes.

### **Community Activation**

"If you are not at the table you are on the table."<sup>1</sup> Many of the challenges and the opportunities block grants and budget cuts bring will occur at the community level. One of the Coping Project's main goals is to increase the capacity of community members and service providers to actively

grant decisions affecting their local communities.

The Project works with interested communities to develop inclusive block grant and related decision making processes based on partnerships between local government, community advocacy groups, and community based service providers and users. Linking with statewide advocacy and service

***In initial community conversations, project staff find little awareness of the changes block grants bring and little information about possible impacts. Myths and stereotypes about "welfare" are common in the media and in informal discussions.***

provider networks, including the Montana Hunger Coalition, the Montana Association of Churches, the Partnership to Strengthen Families Project, the Human Resource Councils, the Montana Foodbank Network, the Public Assistance Program Directors and the Displaced Homemaker Network, the project began recruiting communities in August and September and is currently in conversation about activation

activities and plans with 6 communities.

The Project offers each community initial information, training and technical assistance in preparing to address the budget cuts associated with federal block grants and the end of federal entitlements. One of the key resources the project is developing is specific county by county information about the fiscal and human impacts of budget cuts and block grant programs over the next 3 years.

In initial community conversations, project staff find little awareness of the changes block grants bring and little information about possible impacts. Myths and stereotypes about "welfare" are common in the media and in informal discussions. Very few Montanans realize that the recent budget cuts may mean the loss of food stamps for thousands of community members throughout the state.

Communities can choose from a menu of project technical assistance and resources including: regular contact with field staff to assist in planning and coordination; information and training on group decision-making, community resource assessment, and best practices to create innovative approaches to maintain services with limited resources; leadership development to ensure that service users are an integral part of the decision making process. Two common priorities identified by communities to date are accurate information on what is happening in Montana and training to ensure that low income families participate in the decision making process.

The Project plans to work with at least 12 communities over the next 3 years and to link activated community members to share experience and resources among themselves and with other communities interested in developing similar decision making processes. Staff will develop and offer training requested by community members and gather and distribute information about block grant impacts and responses from Montana and other states' experiences.

The Project has also set up an information alert network for activated community members and others interested in the effects of block grants and budget cuts on low income families and kids. In early November the alert network began informing

members about the development of the State Block Grant Plan and encouraging their participation in the round of community input meetings that are occurring concurrently with federal review. Project staff plan to use the network to get out information during the legislative session, as well as to alert members to other opportunities to participate in block grant and budget cut policy making.

### **More Project Information**

The Coping Project started in June 1996 and is part of a regional initiative by the Northwest Area Foundation to address the implications of block grants and devolution for low income families and children. As part of this regional initiative the project will have access to regional and national information and analysis of the effects of block grants and state and local responses. The Project works in partnership with existing state advocacy and service provider networks and the Department of Public Health and Human Services to ensure that block grant decision making is inclusive of all of those voices who need to be heard at the table. For more information or to join the information alert network, contact: Coping With Block Grants, WORD, 127 N. Higgins, Missoula, MT 59801, 406-543-3550

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<sup>1</sup> quote from Jon Pratt, Minnesota Council of Non-profits, who is involved in a sister project in Minnesota.

*See Myths and Facts of welfare reform next page*

#### **Sources of Information for Myths and Facts of Montana Welfare:**

The Welfare Quiz, World Hunger Year, 1996

Missoula Human Resources Council, Missoula, MT

Missoula Office of Public Assistance, Missoula, MT

MT Department of Labor and Industry, Helena, MT

MT Department of Public Health and Human Services, Helena, MT

National Displaced Homemakers Network, Washington, D.C.

Surveys completed by parents of children attending Head Start, Options Unlimited JOBS participants, Refugee Assistance Corporation clients, and University of Montana students.

**Feel free to copy this Myth and Fact sheet and credit our project:**

**Coping with Block Grants**

**WORD**

**127 N. Higgins**

**Missoula, MT 59802**

# Myths and

# Facts of

# Montana Welfare

**Women are on AFDC because they are too lazy to work.**

Fleeing physical abuse, emergencies or dissention are the reasons most women seek assistance for their families. Minimum wage jobs can barely pay for a family's rent and utilities, much less provide for child care or health insurance.

**The government can do nothing to help people get out of poverty.**

Other countries do. In Canada, government assistance programs lift 20% of single parent families out of poverty, in West Germany, 35%, in France, 50%. The U.S. government provides training opportunities for workers laid off by large companies. Why can't it invest in creating similar opportunities for all workers? Educational and training opportunities bring a real return on investment by helping families get off the system.

**welfare as a way of life. It has made people dependent on government handouts.**

Nationally more than 50% leave the welfare programs within a year. In Montana 63% are on their own in a year. A large majority use it for temporary emergency assistance due to abuse or job loss.

**Welfare fraud is rampant with welfare queens living high on taxpayers dollars.**

Less than 1% of AFDC<sup>1</sup> recipients have been found guilty of welfare fraud. Out of the 11,500 average monthly cases in Montana in 1995, 25 were prosecuted.

**Federal and state governments are going broke because of welfare payments**

Welfare payments make up 1% of the federal budget and were 1.5% of the General Fund in Montana in 1995.

**Women on welfare have extra kids so they can get more benefits.**

Family size statistics show that families receiving assistance are smaller than the national average. In Montana, the average number of kids in a welfare family is 1.9. An additional child would increase the benefit \$2.60/day.

**We have a history in Montana and in the United States of helping each other in difficult times. We are in those times now with federal budget cuts, the end of safety net programs and the transition to block grants. We must not allow misinformation to shape our decision-making around welfare, decisions that will affect us all, not just low-income families and kids. When millions of disadvantaged citizens are in trouble, communities are in trouble.**

**Myths and stereotypes, if allowed to go unchallenged, let punitive policies set the tone for how we interact with each other in our communities. Instead of assisting people with the education and training they need to get a job that can support their families, we push them into minimum wage jobs that in turn force them to cycle on and off welfare.**

**This Myths and Facts sheet is an attempt to provide accurate information for discussion in your community. Distribute it widely. Better decision-making becomes possible when accurate information is easily available, discussed and used in making decisions at all levels of government.**

**resources for welfare recipients to go to school. They should get a job.**

In the 1960's a minimum wage job could support a family. In the 1990's that's no longer true, even with two adults working. People who go beyond highschool in their education or get training can make enough for their families to be self-sufficient. "Nation-wide, 60% of families headed by women with only a high school education had income below the poverty level, 7 times the poverty rate of families headed by women with a college education."<sup>2</sup>

**People do really well on welfare.**

In 1994 a U.S. family of three received an average AFDC payment of \$366/mo. In Montana it was \$350/mo. Rents here have skyrocketed. There is approximately a 5 year waiting list for public housing in Montana. Research shows that Montana welfare families run out of food and resources by the end of the 3rd week of the month.

<sup>1</sup> AFDC refers to the program for low-income families with children called Aid to Families with Dependent Children. Over 90% of program recipients are single women and their children.

<sup>2</sup> "Data Suggests Need for College Access in JOBS Programs," published by the Center for Law and Social Policy, Washington, D.C., 1990.



# MONTANA'S WELFARE REFORM: FAMILIES ACHIEVING INDEPENDENCE IN MONTANA (FAIM)

by **Karlene Leonard\***

*It is an exciting time for Montana, a time when we can continue with and make improvements to our own Montana-made welfare reform program...*

*... public comment and input from communities is critical in attaining a final product.*

Montana finds itself in a unique position with regard to the new welfare reform legislation enacted by Congress on August 22, 1996. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) includes a multitude of changes and options for states to consider, but overall it is said to be more restrictive than previous welfare policy.

Montana's current welfare reform project, Families Achieving Independence in Montana (FAIM) was made possible by obtaining approximately 72 waivers from three federal agencies covering the AFDC, Medicaid and Food Stamp programs. Those waivers allowed the development of a comprehensive welfare reform package, described by some as the most ambitious in the nation. Interestingly, only approximately 15 of the waivers from the original FAIM package remain inconsistent with the new federal legislation. That means the new law incorporated the majority of the FAIM provisions into its requirements. There were also a number of mandates which were not covered in Montana's waiver package and several options made available to the states to include in their revised State Plan.

One of the provisions of PRWORA allows for states having waiver packages to retain them and continue operating their own welfare reform program, incorporating the new mandates and options as necessary. As Montana's Department of Public Health and Human Services begins sorting through the current FAIM program and comparing it to the new Temporary Assistance to Needy Families (TANF) program which replaces AFDC, we are placed in a position to evaluate once again Montana's State Plan.

The Department has developed eight work groups to take pieces of the new legislation and work through the pros and cons and requirements which came with the new law. The work groups cover the following areas: evaluation, fiscal impact, systems, tribal issues, public assistance programs, child care, statute concerns, and cross-divisional issues. The work groups are comprised of state office staff,

providers, members of the general public, and others depending on the focus of the group. Most of the work groups have had an opportunity to meet and develop recommendations to be included in the State Plan.

PRWORA and TANF require a 45-day comment period for the general public to learn about and comment on the required provisions and changes in the way public assistance programs are delivered in Montana. The public comment period will begin November 1, 1996 through December 15, 1996. The State Plan will be submitted to the federal agency by November 1, 1996. Federal review and the public comment period can run concurrently. Early submission of the plan appears to be financially advantageous for Montana in accessing block grant funds while retaining our ability to change the plan based on public input.

Most agree Montana's FAIM program is a more enhanced, better structured program in moving families toward self-sufficiency than the federal program. Most also agree Montana should retain its FAIM waivers which provide a broader range of services to families and more standardized eligibility criteria.

Montana's FAIM program has three main components. The first; the Job Supplement Program is designed for families who choose not to receive cash assistance. Child care services, Medicaid, and Food Stamp services are available to families choosing the Job Supplement Program. Pathways is the second component of FAIM. It provides for child care, Medicaid, and Food Stamps as well as a monthly cash payment. This component is time limited to 24 months. The third component is the Community Services Program. Participants in the Community Services Program

are required to perform community services in exchange for a cash grant.

FAIM is being phased in over a period of one year. Eight counties implemented in February, another eight in May, and sixteen in October. Another eleven will implement in December and the remaining thirteen counties will implement in February 1997. Preliminary indications show more families choosing the Job Supplement Program than anticipated, thus avoiding the need for a cash payment and time limits.

It is in the Pathways component that participants can utilize employment and training services. The Job Opportunities and Basic Skills (JOBS) program which was provided for under separate funding previously (IV-F), is now rolled into the Title IV-A block grant. It is another area which requires evaluation and changes in order to comply with federal requirements of work participation rates. Employment and training continues to play a major role in assisting participants toward self-sufficiency. Just how the new employment and training role looks is yet to be defined.

With the implementation of the new federal legislation and block grant funding, Montana is faced with a variety of choices and decisions. While the work groups have been able to lay a foundation from which to build, public comment and input from communities is critical in attaining a final product. It is an exciting time for Montana, a time when we can continue with and make improvements to our own Montana-made welfare reform program, a program which is comprehensive and designed to provide the tools and support to help move families toward self-sufficiency.

We look forward to hearing from a wide range of Montana citizens to design the best plan possible.

*Most agree Montana's FAIM program is a more enhanced, better structured program in moving families toward self-sufficiency than the federal program.*

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\*Karlene Leonard is the Bureau Chief for the Public Assistance Bureau of the Division of Child and Family Services administered by the Montana Department of Public Health and Human Services. The Bureau is responsible for administration of the FAIM and TANF programs. She received a Bachelor's degree in social work from the University of Idaho and since then has worked in the Helena Job Service Center (17 years) and Child Protective Services for Cascade County (4 years) before becoming Bureau Chief.



# WELFARE REFORM CAPACITY OF MONTANA COUNTY GOVERNMENT: AN ANALYSIS OF COUNTY OFFICIALS' OPINION SURVEY DATA

by Greg Jergeson\*

*“Welfare reform” has been and continues to be a hot topic of debate and discussion. Fundamental differences of opinion exist as to what actually defines “welfare reform.” Much of the gridlock and confusion in Washington D.C. hinges on these basic differences concerning “welfare reform,” what it means and what it is supposed to accomplish.*

This report results from a survey conducted by MSU-Northern on behalf of the Local Government Center at MSU Bozeman. The project was designed to measure the willingness and capacity of county governments in Montana to assume greater responsibility and authority for human services against a backdrop of reduced federal outlays and fewer federal rules and regulations concerning eligibility and levels of service. This project was privately financed through the generosity of the Northwest Area Foundation.

“Welfare reform” has been and continues to be a hot topic of debate and discussion. Fundamental differences of opinion exist as to what actually defines “welfare reform.” Much of the gridlock and confusion in Washington D.C. hinges on these basic differences concerning “welfare reform”, what it means and what it is supposed to accomplish.

Major debates on issues at the national and state level inevitably have implications for local governments where, to use an old cliché, the rubber meets the road. Decisions which have been, or will be made in Washington D.C. and Helena about “welfare reform” will no doubt fit this pattern. This survey was conducted against this background of uncertainty. Presidential and congressional politics played a major role in creating this uncertainty because many decisions have not yet been made. While such uncertainty presents some problems for local decision makers, it also offers some opportunities to influence the outcome of the welfare reform debate.

Given the considerable uncertainty existing at the time the written survey was mailed out, the survey questions were designed to cover a number of variables and contingencies. As in any survey, there may be concerns about the construction of some of the survey questions. Our strategy was to ask questions representing the full spectrum of attitudes and opinions rather than trying to duck or avoid the inherent controversy which exists with a subject like “welfare reform.”

## **Methodology**

The survey was sent to all of Montana's county commissioners and all the Montana county welfare directors. The response was excellent with 80 commissioners and 17 welfare directors responding. I wish to thank commissioners and welfare directors for their participation and cooperation with this project. As events unfold, these public servants will play a key role in the future of "welfare reform."

This report presents the survey results and highlights our primary observations and conclusions. The results were tabulated in a number of different ways. First, the total results to each question were tabulated and analyzed. Second, respondents were divided into groups depending on the population of the counties from which they came in order to determine whether there were any patterns of difference which could be attributed to the size of the population of any county. Third, responses from commissioners were compared to responses from county welfare directors. Fourth, responses from commissioners were compared based upon whether they came from "assumed" versus "non-assumed" counties. And finally, responses from commissioners were compared using the property tax base and the number of AFDC recipients in each county (as of September 30, 1995) in order to measure differences based upon an index of the relative wealth of counties.

Finally, a draft of this report was circulated to five serving county commissioners selected from both rural and urban counties. Face to face interviews were then conducted with these commissioners to learn their reaction to the report and to gauge their view of the accuracy and fairness of our observations and conclusions. While their responses did not contradict the report, they did offer valuable background information helping to explain many of the survey responses. That background information was then incorporated into this final version of the report.

## **General Observations**

Not surprisingly, the traditional roles and responsibilities of counties ranked among the highest priorities of the survey respondents. Roads, streets, and infrastructure generally ranked the highest, especially among county commissioners. The operation of law enforcement and the judicial system, other county offices, and property taxation rounded out the highest priorities of the survey respondents.

Generally, those human service programs most heavily utilized by senior citizens were the human service programs which received the highest priorities. These programs included medical services and facilities, nursing homes and senior centers. One obvious explanation for this may be the size of this population and their pattern of regularly turning out to vote.

It was something of a surprise that programs to create jobs, train people for jobs, and place people in jobs fared poorly. Business promotion, job training and employment counseling, and community service jobs all usually ranked in the bottom half of respondents priorities. County fairs, tourism promotion and family planning hovered at the bottom of priorities fairly consistently.

Reductions at the national or state level in funding for human service programs would not be made up for at the local level. There would be widespread taxpayer resistance to this kind of shift in burden and all respondents were consistent in their answers to questions which measured this kind of response. However, the respondents did not display a punitive attitude towards those in need. Respondents were not likely to favor eliminating the entitlement status of human service programs.



The commissioners who were personally interviewed described how public sentiment shaped their responses. Limited resources and taxpayer resistance were recognized as factors shaping their attitudes and the immediacy of local problems accounted for a desire to find practical solutions as opposed to simply indulging in political rhetoric. They believe that if devolution of welfare responsibility actually results in more local decision making, the focus of advocacy groups will have to follow accordingly.

### Analysis of Responses

#### County Official Priorities:

The greatest divergence of priorities identified by the first three questions (immediately below) was between county commissioners and county welfare directors. Not surprisingly, county welfare directors assigned considerably more importance to human service issues than to the more traditional concerns of county commissioners. This ought to be expected since county welfare directors deal with these matters on a daily basis, whereas county commissioners deal with these items on a less frequent basis because of the wide range of their other responsibilities.

Welfare directors assigned the same high priority to law enforcement, courts, and justice system as did county commissioners. They also agreed on the low priority assignment to county fairs and tourism promotion. Weed control and family planning exchanged places in priority for the two groups with commissioners assigning a very low priority to family planning and a relatively high priority to weed control. County welfare directors were almost exactly the opposite on these two items.

Differences based on county population, county wealth to client load, and assumed versus non-assumed were either minor or no clear pattern could be discerned.

The following analysis includes nine questions that were asked and the tabulated results.\*\*

*Question #1. Counties have a wide range of services they provide and manage. Welfare and Medicaid proposals at the federal and state level suggest even more of these programs will be administered at the local level. Following is a list of services now administered or have been proposed to be administered at the county level. Please indicate the level of IMPORTANCE for each of the services.*

	<u>Important</u> %		Not <u>Important</u> %
Streets, roads, infrastructure	92.5	5.4	2.2*
Job training and employment counseling	29.1	55.9	15.1
Medical facilities and services	72.9	21.7	5.5
AFDC and public assistance	49.5	41.8	8.8
County Administration and elected officials	79.6	18.3	2.2
Community service jobs	43.1	33.3	23.6
Medicaid	68.1	26.6	5.4
Vehicle registration	57	33.3	9.7
County employees and compensation	80.9	18.1	1.1

	<u>Important</u> %		<u>Not</u> <u>Important</u> %
Nursing homes and senior citizen centers	60.7	29.8	9.6
Business promotion	45.7	36.2	18.1
Mental health services	43.6	42.6	13.9
Water resources	64.5	26.9	8.7
Food and nutrition	37.2	39.4	23.4
Land use and land planning	62.4	21.3	6.4
Law enforcement, courts and justice system	88.3	10.6	1.1
Air quality	45.2	29	25.9
Property taxation	82.8	14	3.2
Pre-natal, early child care, day care	46.8	34	19.2
Family planning	35.5	30.1	34.4
Housing and shelter	49.5	35.2	15.4
Weed control	51	39.4	9.5
Tourism promotion	17.1	39.4	43.6
Foster Care- protective services	47.9	33	19.2
County fair	22.4	39.4	38.3

*Question #2. From the 25 programs and services listed above, choose the five MOST IMPORTANT to you and your constituents.*

	<u>Number</u>
1. Streets, roads, infrastructure	75
16. Law enforcement, courts and justice system	54
3. Medical facilities and services	49
18. Property taxation	34
15. Land use and land planning	30
5. County Administration and elected officials	28
10. Nursing homes and senior citizens centers	22
13. Water resources	22
7. Medicaid	17
9. County employees and compensation	16
4. AFDC and public assistance	14
11. Business promotion	14
22. Weed control	14
21. Housing and shelter	13
8. Vehicle registration	12
2. Job training and employment counseling	11
17. Air quality	11
14. Food and Nutrition	10
24. Foster Care - protective services	9
19. Pre-natal, early child care, day care	6
20. Family planning	5
12. Mental health services	5
6. Community service jobs	4
23. Tourism promotion	0
25. County fair	0

*Question #3. From the 25 programs and services listed above, choose the five LEAST IMPORTANT to you and your constituents.*

	<u>Number</u>
23. Tourism	55
20. Family planning	47
25. County fair	44
17. Air quality	36
6. Community service jobs	29
11. Business promotion	28
14. Food and nutrition	28
2. Job training and employment counseling	26
22. Weed Control	23
24. Foster Care - protective services	22
21. Housing and shelter	17
19. Pre-natal, early child care, day care	16
8. Vehicle registration	14
13. Water resources	11
15. Land use and land planning	10
12. Mental health services	9
5. County Administration and elected officials	7
4. AFDC and public assistance	7
10. Nursing homes and senior citizen centers	6
3. Medical facilities and services	5
9. County employees and compensation	4
18. Property taxation	4
1. Streets, roads, infrastructure	3
7. Medicaid	2
16. Law enforcement, courts, and justice system	0

### **Availability of Jobs**

There was considerable uncertainty about the availability of community service jobs. Welfare directors were more likely to believe in the availability of community service jobs as were respondents from the largest counties.

There was widespread agreement expressing reluctance to the commitment of local resources for the provision or management of community service jobs.

There are low expectations among all groups that community service jobs would provide a level of compensation equal to or exceeding that from public assistance and Medicaid.

A majority of both commissioners and welfare directors believe there are some AFDC recipients who would not be qualified or able to perform some community service jobs, with welfare directors more likely to hold this view. Respondents from the smallest counties were less inclined to agree.

All respondents and groups of respondents were consistent in their view that community service jobs would *not* compete with either existing businesses or current public employees.

Taken together with the relatively low priority assigned in questions 1, 2, and 3, particularly by county commissioners, the high expectations for community service jobs, as a carrot, as a stick, or as a job training experience, expressed by political leaders at the state and national level may be misplaced.

The ambivalence apparent in the survey responses was confirmed during the conversations with the commissioners. For many community service workers, the energy, time and expense of supervision often outweigh the product of the workers effort. When motivation isn't strong supervision has to be. Liability for injuries was also a concern. Limited local resources simply are inadequate to make this a meaningful program.

*Question #4. Most welfare reform plans are written with the expectation of a time limit on benefits at which time recipients would be expected to be employed. If private sector jobs were unavailable, community service jobs would be made available. Please indicate your level of AGREEMENT or DISAGREEMENT with each of the following statements.*

	<u>Agree%</u>		<u>Disagree%</u>
Community service jobs would be available in our county	51.6	26.3	22.1
Our county has available staff to assign and manage community service workers	15.4	17.5	67
Community service jobs would not compete with existing business	54.6	30.9	14.4
Community service jobs would displace current public employees	20.8	16.7	62.5
Community service jobs would offer a level of compensation and benefits equal to or exceeding those from public assistance and Medicaid	23.9	35.4	40.7
Some public assistance recipients would not be qualified for or able to perform any of the community service jobs which might be available in our county	63.6	16.7	19.8
Our county would be willing to pay for community service jobs from revenues derived from our own tax base	4.1	10.4	85.4
Our county would provide community service jobs even if they competed with existing businesses or displaced current public employees	2.1	11.6	86.3
Community service jobs would shrink the labor pool and increase labor costs in our county	7.4	27.4	65.3

## ***Coordination of Human Services Delivery***

The difficult construction of the response scale in question number 5 may have resulted in the large number of uncertain responses to this item.

No matter how the respondents were grouped, there were no occasions where a majority of the responses indicated a lack of coordination between one program or agency and another.

Among the slight differences to be noted, welfare directors were more likely than county commissioners to agree that employment agencies coordinated their efforts with other agencies, perhaps reflecting the day to day association county welfare offices have with job training and employment counseling conducted by employment agencies.

Respondents from the smallest counties were less inclined to agree that employment agencies coordinate their programs with other agencies, perhaps reflecting the fact that Department of Labor offices are generally not located in the smallest counties.

Respondents from wealthy counties expressed greater confidence in the degree to which educational institutions coordinated their services with other agencies.

*Question #5. Since persons or families receiving public assistance are often in contact with more than one public agency offering services, coordination among these programs is considered essential. Please rate the level which the agencies or programs in your county COORDINATE their services with the others.*

	Highly Coordinated%		Highly Uncoordinated%
Welfare office	70.5	24.2	5.3
Youth & family courts	42.7	42.7	14.6
Medical providers	47.9	36.5	15.6
Mental health services	45.9	39.6	14.6
Educational institutions	31.6	47.4	21.1
Employment agencies	33.3	41.9	24.7
Law enforcement	45.8	39.6	14.6
Child care providers	34.4	44.8	20.8
Community organizations/volunteers	34.7	44.2	21.1
Aging services	39	41.1	20

## ***Impacts on Children***

The responses to this question indicate a strong pro-children sentiment, both generally and specifically. Respondents agreed that program reductions or eliminations would be harmful to children.

All groups of respondents agreed that reductions in AFDC benefits, and 2 year limitations on benefits would hurt children. All groups of respondents agreed the family/maternal and child health programs have

There was near unanimous agreement that failure to deal with early childhood problems would create more expensive problems later on. This, of course, creates a powerful dilemma for county commissioners, welfare directors, and other policy makers since all groupings of respondents were nearly unanimous in agreeing that local taxpayers would *not* be willing to make up for cutbacks in programs for children. This apparent dilemma is only heightened by the relatively high priority given by respondents to law enforcement, the justice system, and medical services.

Respondents did not agree with the premises that the two year limitation on AFDC would act as an incentive to either a) reduce the number of illegitimate births, or b) seek abortions. Even though there was sentiment that opportunities may exist elsewhere for people, there was no response pattern which suggested that "welfare management by the "Greyhound method" was a serious choice.

*Question #6. The poverty rate for children is the highest of any age group. Please indicate your level of AGREEMENT or DISAGREEMENT with each of the following statements.*

	<u>Agree%</u>		<u>Disagree%</u>
Reduction in AFDC benefits would hurt children more than their parent(s)	69.8	14.6	15.6
Two-year limitations on AFDC benefits would not adversely impact children	22.1	26.3	51.5
There are quality, affordable, and accessible child care services in our county	39.6	34.4	26
Family/maternal, and child health programs have improved the well being of children in our county	68.1	27.8	4.2
Limiting AFDC benefits to two children will reduce the number of illegitimate births	26.8	23.7	49.5
Limiting AFDC benefits to two children will create an incentive to seek abortions	23.1	34.7	42.1
Budget allocations to children's programs should receive the same priority as programs for senior citizens	63.2	25.3	11.6
Failure to deal with early childhood problems creates more expensive problems later	91.7	6.2	2.1
Children's natural resiliency enables them to overcome adversity	26	41.7	32.3
If a parent can't find a decent job in our county, they should move somewhere else	46.8	40.4	12.8
A parent unable to earn an adequate income in our county probably can't do any better anywhere else	23	16.7	60.4
The taxpayers of our county would be willing to make up for cutbacks in programs for children	5.1	18.6	76.3

## Resource Allocation Strategies

The responses to question #7 signal a desire to maintain entitlement status for human service programs. The most clear cut way to eliminate entitlement status is to operate programs on a "first come, first served" basis. This option was strongly rejected by all groups of respondents.

Respondents flirt with the strategy of eliminating entire programs. Nevertheless, in rejecting reduced reimbursements to nursing homes, reducing employment services, reducing child and maternal care programs, or eliminating job training programs, there is no indication of which specific programs respondents would cut or eliminate. Lamentably, the question did not ask for an identification of other programs respondents might cut or eliminate and, clearly, some of those options may exist.

The allocation strategy for scarce resources seemed to remain "across the board" benefit reductions which is a strategy most likely to maintain entitlement status.

All groups of respondents strongly disagreed with the politically popular assertion that administrative savings would be large enough to replace benefit reductions.

The differences in responses among groups of respondents were relatively minor. Respondents from large counties were less likely to agree to reductions in child and maternal care programs, whereas respondents from the wealthiest counties were less inclined to disagree.

Respondents from small counties were less inclined to disagree about administrative savings being substantial and respondents from assumed counties were much more determined to oppose the elimination of job training programs.

*Question #7. Federal block grant proposals would eliminate the status of several programs as entitlement. If decisions were made locally on how to allocate 15% less for human services, please indicate your level of AGREEMENT or DISAGREEMENT with each of the following allocation strategies..*

	<u>Agree%</u>		<u>Disagree%</u>
First come, first served	2.1	16.7	81.3
Across the board benefit reductions	44.3	32	23.7
Elimination of entire programs	36.1	32	32
Reduce reimbursements to nursing homes for care for the indigent elderly	15.5	29.9	54.6
Reductions in employment services	28.9	32	39.2
Eliminate job training programs	20.6	23.7	55.7
Reduce child and maternal care programs	12.4	34	53.6
We'd save so much on administration, there would be plenty left to continue benefits at current levels	18.8	19.8	61.4

## *Capacity for Innovation*

While respondents expressed a willingness to experiment with innovative ideas and do not believe it would be impossible to change current operating procedures, they don't necessarily believe they have the resources to design new systems.

They expressed considerable skepticism about the value of "reorganization" as a solution to human service problems.

Respondents seem to understand some innovations will require difficult tradeoffs, for example, home health care may mean greater vacancy rates in nursing homes which could present financial difficulties for those facilities.

Alternatives clearly outside of the mainstream, such as bringing back orphanages and poor farms, were soundly, roundly, and profoundly rejected by all groups of respondents. This rejection was nearly unanimous.

*Question #8. Proponents of block grant proposals suggest the elimination of federal, county and state red tape would unleash a number of innovations that would generate savings. Please indicate your level of AGREEMENT or DISAGREEMENT with each of the following statements.*

	<u>Agree%</u>		<u>Disagree%</u>
We are prepared to experiment with innovative ideas to solve human service problems	72.2	17.5	10.3
It would be hard to change current operating procedures	36.5	14.6	49
Innovation might work, but we don't have the resources to design a new system	48.4	36.1	15.5
Innovation would create long-term solutions, but won't result in short-term savings	43.8	35.4	20.9
Everybody is for change...for the other guy	71.9	20.8	7.3
You can reorganize agencies all you want, human service problems won't go away and won't become less expensive	51.5	21.6	26.8
Innovative programs like home health care for the elderly might mean greater vacancy rates in local nursing homes	61.5	18.8	19.8
Bring back poor farms and orphanages	5.2	12.5	82.3



## *Culture of the Welfare Office*

While the responses to this last item identified some areas of disagreement between county commissioners and county welfare directors, there were several areas where the agreement between these two groups was solid.

Respondents gave high marks to current welfare office staff. There was strong agreement among all groups that current staff treat welfare clients with respect and dignity. Although welfare directors were more likely to disagree with the proposition that welfare office staff reinforce the victim mentality of welfare clients, most commissioners also shared the sentiments of the county welfare directors. Both groups strongly disagreed with the proposition that its good for welfare clients to face a hostile atmosphere. This opinion was nearly unanimous.

While conventional wisdom might argue that public employees, such as county welfare directors, don't care about the concerns of taxpayers, both groups strongly agreed on the extent to which local taxpayers would be willing to absorb additional costs, albeit recognizing considerable taxpayer resistance.

Both groups agreed that responsibility for the "culture of the welfare office" rests with the county welfare director, although the county commissioners more strongly agreed with this suggestion.

Among areas of disagreement, county commissioners were much less likely to agree to the need for additional training and equipment for welfare office staff. Commissioners were much more likely to think facilities and equipment are adequate and attached much less importance to the condition of facilities and equipment. County commissioners also did not agree that reducing caseload per welfare office worker by increasing the number of those workers would have a positive impact on the "culture of the welfare office."

Respondents from the largest counties were more inclined to agree, and commissioners from the wealthiest counties were less inclined to agree that the condition of facilities and equipment makes a difference on how well human service programs are provided. Respondents from smaller counties and wealthier counties are more likely to believe facilities and equipment in the welfare office are adequate.

*Question #9. The Montana statute establishing Montana's welfare reform effort, FAIM, promises to change the "culture of the welfare office." Please indicate your level of AGREEMENT or DISAGREEMENT with each of the following statements.*

	<u>Agree</u>		<u>Disagree</u>
Welfare office staff in our county treat welfare clients with respect and dignity	86.6	11.3	2
Welfare office staff in our county reinforce the "victim mentality" many welfare clients have	18.7	28.1	53.2
It's good for welfare clients to face a hostile atmosphere in the county welfare office	2	5.2	92.7

	30.9	30.9	38.2
Welfare office staff in our county need additional training and equipment to better deal with the caseload			agree(%)
The taxpayers of our county would be willing to pay for additional training for our county welfare office staff	4.1	21.9	73.9
Problems of interaction between county welfare office staff and welfare clients runs the full spectrum in our counties and must be dealt with on a case by case basis	51.6	26.3	22.1
Responsibility for the "culture of the welfare office" rests with the county welfare director	65.7	19.8	14.6
Responsibility for the "culture of the welfare office" rests with the county commissioners	26.1	20.8	53.2
The condition of the physical facilities and equipment in the county welfare office makes a large difference on how well human service programs are provided	45.9	21.9	32.3
The facilities and equipment our county provides for the county welfare office are adequate and there is no need to upgrade them	50.5	24.7	24.7
Reducing caseload by increasing welfare office staff could improve the "culture of the welfare office"	25	21.9	53.1

### Conclusions

Clearly, county commissioners have a wide array of responsibilities assigned to them by law, public expectations, and tradition. The restrictions of I-105 and widely articulated taxpayer resistance rather obviously limit the ability of county commissioners to respond to additional demands for resources, whether mandated from national or state government, or requested by local interests.

Local resources are often stretched as tight as a guitar string. While it appears that the federal and state governments may not impose additional unfunded mandates on local government in the familiar "thou shalt" form, it is less clear that there will be any reduction in the mandates previously imposed.

The most likely scenario appears to be that the national and state governments may reduce their contribution to certain human service activities. Even though no mandate is imposed upon local governments to make up that difference, the populations in need will continue to exist right there in the community. Somehow, their needs that will not be covered by national or state funded programs will manifest themselves as burdens upon and the responsibilities of local governments, especially county governments.

In this regard, the biggest surprise in the survey responses was the general lack of disagreement between commissioners from counties based upon wealth. Presumably, those counties with a small tax base relative to the public assistance population will face the most difficulties if federal and state outlays for human service programs are reduced. With little expectation that people in need can, or should, move away, low wealth counties may therefor expect increased financial burdens.

It has not been the purpose of this project to offer or advocate particular policy alternatives for decision makers at the local, state, or national level. It is hoped that the survey responses and our analysis of those responses will advance the knowledgeable dialogue about welfare reform so that the most appropriate public policy decisions will be made at all levels.

*\* Greg Jergeson of Chinook, Mont. is employed by the Montana State University-Northern Foundation in Havre. In addition, Greg Jergeson is a 16- year veteran of the Montana State Senate. As a Senator, he serves on the Agriculture, Transportation, and Finance & Claims committees as well as the Legislative Audit committee and Post-secondary Education policy and budget committee. During this interim, Senator Jergeson served on the Department of Health and Human Services Reorganization advisory committee.*

*\*\* Tabulated results may not sum exactly to 100% because of rounding.*



## IT IS TIME FOR ACTION\*

by Michael Hightower

*...we must issue challenges to the governors of the 50 states where the next round of welfare devolution will be fought.*

*...When you sit down with the governor, there are three questions you should put on the table. I call it the "County Challenge."*

\* This article is a reprint from County News, Vol. 28, No 19, October 14, 1996 with the permission of the National Association of Counties (NACo). The author, Mr. Michael Hightower is the President of NACo.

I participated recently in a press conference in Washington, DC. to talk about implementing welfare reform - devolution's first major testing ground. Counties across the country will be laboratories for this test. While states have been given the authority and the federal block grant funds to implement reform, it will be county elected officials and their administrators who will ultimately face the challenges and opportunities presented by the law.

Clearly, welfare needs fixing. The new law, despite its flaws, provides state and local governments with new challenges, opportunities and additional flexibility to put people on the road to being able to support themselves and their families. Counties are moving forward on welfare reform.

However, we need answers. And, we must issue challenges to the governors of the 50 states where the next round of welfare devolution will be fought.

As your NACo president, I urge all county officials to take the following actions;

First, the federal law requires that the states consult with local governments when developing their new systems. If your governor has not done so, counties must demand that the governor sit down with your state's county leaders and draft a state plan of action conforming to the new welfare law.

When you sit down with the governor, there are three questions you should put on the table. I call it the "County Challenge."

■ The first question is:

*How high are counties going to have to raise local property taxes simply to absorb the emergency health care costs of people who no longer qualify for medial assistance under block grants?*

- 
- The second question is:

*Are counties expected to provide care for the expected increase in homeless families when they are unsuccessful in achieving self-sufficiency within the time limits established?*

- And finally:

*If states choose to deny cash assistance and Medicaid to legal immigrants, will counties have to pay for increased general assistance costs and increased indigent health care costs.*

For an issue as complicated as welfare, there are no silver bullets. But the dialogue must begin

among county, state, and federal officials, so that we can all move ahead together, in sync, to help our citizens in need.

Without our active involvement, counties will find placed at the doors of their county courthouses another new, albeit nonfederal, unfunded mandate.

Now is the time to act. Pick up the phone. Organize. Taking the initiative to enter into discussions with our state public servants will help determine whether we successfully meet the opportunities and challenges of devolution's first major test. Our communities' residents expect we will. Those in need know we must.



## WELFARE REFORM: THE NOT-FOR-PROFITS' VIEWPOINT

by Ann Mary Dussault\*

*... state activity has exploded. Even though federal efforts have stalled, Montana forges forward. Task forces now look at day care, workforce, integration of state administration, integration of federal and state resources, and reorganization of the human service delivery system... The stated intent is to impart more local control; to design a system more responsive to local needs; to foster support of the general population.*

*What follows, is a compilation of responses received from not-for-profits on these welfare reform issues.*

### A Chess-Match.

**T**hat is how one program operator describes the environment in Montana around welfare reform. The pawns in this game are obvious. They are the "little people" -- the vulnerable citizens of our state, young and old, who rely on the web of services made possible by federal, state and local governments. More often than not, the not-for-profit sector provides these services.

It takes little imagination to imagine who the king is. One might be surprised, however, to learn that some not-for-profits view themselves as the rook.

In the game of chess, the rook has certain flexibility. It can move any distance, forward, backward, or sideways, provided the line is unobstructed. In the game of welfare reform, a not-for-profit's ability to move freely and unencumbered is threatened. Equally as important, the rules of the game seem to be ever changing.

### So, What Is This Thing Called Welfare Reform?

Originally I thought this would be a fairly simple project. I found otherwise quickly. I discovered first that the term "welfare reform" means different things to different people. Some described it as the state's FAIM initiative. Others had in mind Congress' attempt to pass block grants. Still others viewed it broadly, i.e., the interrelationships among welfare, workforce and job training, Medicaid and managed care.

Depending on how broadly this term is defined, the more complex the network of community based not-for profits becomes. Certainly day care, displaced homemaker, job training and job development programs will be affected.

But in its larger sense, it is difficult to think of a vulnerable population and the not-for-profits' serving them that won't be affected. Suddenly the web widens to include the poor, the disabled, the elderly. It includes the hungry, the homeless; those with limited or no access to health care; those in need of mental health services. It encompasses the legal and protective services afforded to children, women and the frail elderly. Embodied are most Montanans who want to work, but are unable to earn a living wage.

### **The State Is On A Roll.**

Next I found the ever-changing environment that not-for-profits experience. When this project first began, activities at both the federal and state levels were intense. The President and Congress were hotly debating a myriad of block grant proposals that would diminish funds and shift responsibilities to states. The state was reorganizing and consolidating human service state agencies into one super-agency, the Department of Public Health and Human Services. It began implementing Montana's welfare reform package -- Families Achieving Independence In Montana. Advisory committees focused on FAIM and managed care.

Since then state activity has exploded. Even though federal efforts were stalled, Montana forged forward. Task forces now look at day care, workforce, integration of state administration, integration of federal and state resources, and reorganization of the human service delivery system. The state initiated a proposal to create new partnerships through Human Service Commissions. The stated intent is to impart more local control; to design a system more responsive to local needs; to foster support of the general population.

### **The Devolution Revolution Hits Home.**

Finally, I was surprised to find that the notion that counties might play a part in the "Devolution Revolution" was novel. (Maybe I was surprised because I come from a county deeply committed and

involved in human services.) Attention focused on Washington, DC and Helena, Montana, not on one's county commissioners. Although communities and the impact they might bear were mentioned in conversations, only the most sophisticated thought counties would be significant players. That was before the release of the Human Service Commissions paper.

The proposal to devolve locally is now on the table and counties are pivotal to the discussion. Certain counties have been approached to develop model structures. The reality of devolution is beginning to set in. However, most still think and talk in terms of "community"-- community assessment, community needs, community impacts, community organizing, community partnerships, community response. How this discussion evolves is critical to the not-for-profit sector, as well as the provision of human services.

### **A Last Comment.**

I didn't find at the end what I thought I would at the beginning. Welfare reform is an extraordinarily complex issue, affecting every vulnerable population in Montana and every not-for-profit that serves them. I have always had a deep respect for the place not-for-profits have in our communities and the work they do on our behalf. After this work that respect has deepened considerably.

Not-for-profits are, first and foremost, deeply committed to the work they do. Their responses to my inquiries were always prefaced by a concern for those they serve. Only then could I turn the conversation to them. They are buffeted by forces totally outside of their control. Decisions are made affecting them and those they serve by those who know far less than they. They are expected to do more for less. For many, their very existence is threatened.

During the course of this research, dozens of them or their representatives were kind enough to visit with me. They were generous with their time and honest in their responses. For that reason I prom-

ised anonymity. Each understood his/her response could be used, but it would not be attributable to any one individual. What follows, then, is a compilation of responses I received in these discussions. The final pages summarize my recommendations.

## What Is Your Take On Welfare Reform?

### Anger.

■ Welfare reform is a sham, devolution a smoke screen. Its real purpose is to get the federal government out of the welfare business. It severs the policy tie between federal and state governments, and relieves the federal government of its responsibility to the poor of this country.

■ There is no real intent to empower the states. Parroting the rhetoric of states' rights, welfare reform provides an opportunity for the federal government to dump welfare back on the states. It will flow downhill from there: to counties, communities, and the not-for-profit sector.

■ Welfare recipients are convenient scapegoats for everything from the federal deficit to violence in communities.

■ Managed care seems to be the answer to every problem, yet states like Massachusetts have lost 40% of their providers.

■ Lies become truths and the media helps perpetuate the myths.

### Denial.

■ The primary need is simple -- to prove to policy makers they are wrong. These programs work; we just haven't made our case clearly or effectively. If we repackage the data one more time, maybe they will understand.

■ The original purpose of many of these programs has been forgotten. That's why it's so hard to defend what they have become.

### Confusion.

■ The public does not understand what welfare reform really means. Getting informed press coverage of the human, fiscal and legal impacts is very difficult.

■ Since welfare is a state system, welfare reform is not perceived to be a local problem. There is no local investment, no local significance.

■ There is a high level of uncertainty. No one knows for sure what the outcomes will be. The environment is unpredictable.

■ There is a lack of clarity and a lack of definition around what is occurring.

### Distrust.

■ The state is not to be trusted. Even when not-for-profit or community representation is solicited, there is doubt this request is genuine. There is a presumption that an agenda is being carried out, but only a few know what it is.

■ The state is just looking for a break-even point -- how far they can push NFP's before they die.

■ There are some mid-managers at the state level with nasty, mean-spirited beliefs.

■ The state plays the bait and switch game -- they pull you in, use you, then toss you aside.

■ This is all being done without adequate grass roots input, sufficient public debate.

■ NFP's feel separated, disenfranchised, disempowered. It feels like David fighting Goliath. The state has the power, the resources, the technology and the public relations people.



## Paradigm Shifts.

- Everything is changing: the roles of federal, state and local governments; the role of state workers; who is served and how services are executed.
- There is a shift in service philosophy: from categorical benefits to capitation, from offering what a recipient might need to giving only that which one knows to ask for...
- Regardless of what the federal government ends up doing about block grants, the state will move forward. They will use waivers, reorganization, mega-contracts for managed care and other mechanisms. Giving them the benefit of the doubt, this may be necessary due to the growth of Medicaid and its impact on the State's budget.
- The current structure of assumed/non-assumed counties will be challenged.

## Diminishing Resources.

- Since FAIM is to be revenue neutral, there are significant holes in the resources available to meet FAIM's objectives. This is especially true of day care, supportive services, job training, and community service.
- There is serious doubt the State has the necessary resources to implement FAIM. They are pushing the responsibility down to local communities.
- FAIM results in greater numbers of people to serve, less money to do the job, and an urgency to do it more quickly.
- There is conflict between reform demands e.g., work for a livable wage, and the realities of the economy and the kind of jobs that are available.
- Massive cuts have already occurred in workforce training. The result is a more targeted, less responsive system. The focus has shifted to consumers with multiple and severe barriers...as

one put it, service to the truly vulnerable.

- The move toward "boutique" funding (highly targeted and more specialized) has already begun.
- Demand is going up while supply is going down.

## Impact on Consumers.

- Reforms will be targeted to reduce eligible populations, reduce benefits, and eliminate safety nets for less severe populations.
- Consumers are very confused about the changes in the system.
- There is a lack of job training dollars when training is of greater importance.
- The availability of supportive services like day-care and transportation is not sufficient. Yet the demand for services, especially day care, will increase.
- Underserved populations will eventually NOT SEEK SERVICE because of the system's failure to provide for them. For women and children who are victims of violence and abuse, this is, quite literally, a life-threatening dilemma.

## Community Impact.

- Communities will suffer significant impact. They will be expected to fill gaps in services and solve their own problems. Is it fair to make them make these decisions?
- The "soft costs" of FAIM (day care, community service) will have to be provided by the community. There will be no state dollars.
- Resources at the community level will be severely taxed (no pun intended).
- The gap in services between rural and urban areas will be exacerbated.

## **What Impact Will Welfare Reform Have on Not-For Profits?**

### **Survival.**

■ Welfare reform will impact a NFP's ability to survive. Some may go out of business as resources decline and contracts are defunded. For those remaining, there will be a greater demand for services and accountability, with fewer dollars to finance them.

■ Competition for funding means that those NFP's without the means, staff or expertise will not survive. Those who are more diverse and run a business-like operation will.

■ Many NFP's will have to close their doors. Those who rely heavily on volunteers will be particularly vulnerable. Volunteer numbers will diminished due to increased demands.

### **Organizational Integrity.**

■ NFP's will be forced to redefine their mission and their core functions. Reorganization and realignments will be necessary.

■ State/counties/NFP's will be forced to reexamine existing relationships and create new ones.

■ NFP's will be forced to collaborate even if they don't know what that means. Joint ventures (partnerships) will be necessary for survival.

■ NFP's need to become more business-like, entrepreneurial and competitive as money becomes tighter.

■ The refrain these days is to increase efficiency while cutting costs. How can an organization cut resources, serve more participants, and maintain quality of services?

■ Most NFP's operate in one jurisdiction -- the demand will be for multi-jurisdictional services providers.

■ Many single-focused NFP's could lose their core funding and people. Diversifying their constituencies may help, but could also dilute their message and capacity to serve.

■ NFP's are likely to divert funds from administrative to program functions. The result will be weaker organizations with the increased possibility of scandals over administrative and fiscal mismanagement.

■ NFP's must become more accountable. They will be required to produce more for the money they are given, and thoroughly document outcomes.

■ NFP's are geared toward providing human services. They don't think about who they are, what they are.

### **Insufficient Resources.**

■ Fewer dollars will flow toward client services, income transfers will diminish. There will be a cumulative drop in income from the federal government. NFP's will suffer from both insufficient resources and from pressure from those served.

■ NFP's will be required to do more with less. Traditional funding will not exist.

■ NFP contracts under the old system will be terminated or significantly altered.

■ Staff will need to be more highly skilled to deal with client load, and the demand for volunteers and volunteer hours will increase. Chances of burnout will increase significantly.

■ Since most dollars for NFP's are categorical (restricted), it will be difficult to be flexible. Yet dollars cause the capacity NFP's need to provide services.

■ Time limited eligibility will increase the demand for short-term job training. Yet these programs anticipate losing job-training funds.

- NFP's have varying degrees of administrative, fiscal and technological competencies.

- Much more will be expected of existing staff and resources. Under the old system, for example, Displaced Homemaker Centers served approximately 20% of the welfare population. Now they are expected to serve the entire population. There will be no additional dollars for training.

- There are insufficient resources to take and make the case effectively to the public; to advocate effectively with the state; to create an analytic capacity to counter the states' arguments; to do effective research and demonstration.

### Competition.

- In order to create efficiency, NFP's will be required to compete with, or will be displaced by, large out-of-state providers or managers. These are the "Anaconda Companies" or "Wal-Marts" of human services. They know how to save money for a reason - they find loopholes and know how NOT TO SERVE people.

- There will be greater competition among NFP's for limited funds.

### Local Capacity.

- Negative attitudes toward welfare and welfare recipients make it difficult for local jurisdictions to become motivated to respond.

- The infrastructure which provides local services (NFP's) may be lost. This is the opposite of what is needed to help communities to respond.

- A new level of energy, imagination and creativity will be needed at the local level.

- What kind of infrastructure do local communities have to respond to this challenge? This is way beyond what they have ever had to cope with.

- Broad-based and highly organized advocacy

will be critical if NFP's are to have an impact on state and local decision makers.

- The presumption that charities and the faith community can make up the difference in funding is wishful thinking. The capacity and infrastructure is not there.

### What Opportunities Does This Present For Not-For-Profits?

- Opportunity to create new community service delivery models that allow interaction around provision of services. This requires overcoming turf issues and a high degree of collaboration.

- Opportunity to create integrated, locally structured and designed programs, especially if federal prescriptions are removed.

- Opportunity for communities to come together around how services are provided, to take ownership and develop their own guiding principles.

- Opportunity to restructure how resources are directed at the community and regional levels; particularly the ability to shift money into more flexible categories.

- Opportunity to have more flexibility in federal, state and local rule-making.

- Opportunity to prove that communities can be successful if they are skilled in networking and collaboration.

- Opportunity for NFP's to become more business-like and more diverse in their approach to service delivery. They will learn how to compete, package their product, and market their message and services.

- Opportunity for NFP's to develop new partnerships at the local, regional and state level.

- Opportunity to consolidate state functions into

NFP's themselves can consolidate into more efficient organizations.

- Opportunity to learn from successful community collaboration models and mirror their success in Montana's communities.
- Opportunity to review the "core theory" behind what we do, and eliminate those programs and services that don't measure up.
- Opportunity to expand our use of technology and integrate services electronically.
- Opportunity to organize effectively and advocate competently; to push back and stop acting/feeling like victims.

### **What Do NFP's Need To Meet These Challenges?**

NFP's expressed need for the following:

#### **Information.**

- A place where current information about what is happening at the state and federal level can be compiled, distilled and distributed.
- A source of information that is current, complete and competent and trusted.
- A place where independent analysis of trends and data affecting welfare programs and constituencies can occur, so that reliance on the state is diminished.

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

- Information and education about state and local government's power and process. Who has power? Who has the authority to do what? Who should one talk to? How does one gain access? What's the history around the issues? What's the real story, the real agenda?

building partnerships.

- Training in accessing and developing alternative resources.
- Leadership mentoring and training.

#### **Advocacy.**

- Training in how to influence decisions at the state and local level.
- Training in how to organize and build successful coalitions. Help in learning how to come together and dialogue constructively.
- Development of a coalition that brings all those affected by welfare reform (in its broadest sense) together.
- Bring hope that local governments and NFP's can shape the debate --shape the questions.

#### **Organization and Structural Competencies.**

- Cut-back management. What to do in the short term.
- Reinventing, re-engineering local NFP's. Re-defining mission, core functions, structure.
- Developing new models that enhance flexibility and partnerships.
- Training in best practices in a reform environment.

#### **Community Competencies.**

- Assessing a community's needs.
- Bringing people together to think about new and creative ways to meet the needs of friends and neighbors.

■ What are successful community development, collaboration and communication models?

■ Developing healthy communities around risk and resiliency factors; creating healthy families, neighborhoods and community; creating effective community collaboration models.

## **Recommendations.**

### **Information.**

■ Create a place where current information can be compiled, distilled and distributed; where trends and data can be reliably analyzed and communicated.

### **Education and Training.**

■ Develop information, education and training packages around state and local government's power and process; team-building, collaboration, and developing partnerships; accessing and developing alternative resources; leadership.

### **Advocacy.**

■ Develop broad-based and effective advocacy networks within communities, regions and the state to influence policy decisions and decision-makers at the state and local levels.

### **Organizational Competencies.**

■ Provide education and training in organizational competencies including cut-back management; reinventing and re-engineering organizations. Provide a forum for research and communication around best practices in a reform environment.

### **Community Competencies.**

■ Provide education and training in community needs assessment; benchmarking; best practices in community development, collaboration and

communication models.

### **Castling.**

Once during a game of chess a player may make a move called castling, the purpose of which is to reposition the king onto a "safe" square and to shift a rook for offensive or defensive purposes. It is a simultaneous move of two pieces, the king and a rook. Castling is accomplished by first moving the king two squares in the direction of the rook, then placing the rook on the square passed over by the king. At no other time may the king move two squares.

The moral of this analogy is straightforward. When king and rook work together, their chance of success increases. It is a win-win paradigm.

For the opportunities presented by welfare reform to come about, it will require the collaborative efforts of all parties working together for the benefit of those people who need their assistance, be it temporary or long term.

Collaboration requires several things. Most important is agreement to work in an open and honest environment; to share information; to balance the power among the parties; to create solutions that satisfy each other's interests.

If the Northwest Area Foundation and the Local Government Center do nothing more that create the opportunity for this kind of interaction to occur at the state and local level, they will have made the most significant contribution possible.

Castling is my primary recommendation!

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## WELFARE REFORM ISSUES FACING MONTANA

by Stephanie Gray\*

*... the essential step required to fulfill this grand strategy of decentralization is, in fact, to move much of welfare decision-making closer to the local level. It is now up to the states and their counties to take this step and achieve the goals of welfare reform inside the county courthouse.*

**E**ven though there is wide political agreement on the need for national welfare reform, few agree on how the momentous task of reforming a sixty year old policy should be undertaken. Some feel the appropriate long term goal of welfare reform is simply the reduction of federal, and state spending for public assistance programs. Others view welfare reform as a fresh opportunity to bring 31.7 million Americans out of poverty through a fundamentally redesigned welfare system. And there are also those who see the decentralization (devolution) of welfare decision-making responsibility as a change that could achieve both goals while revitalizing the role of local government in the American federal system.

The national strategy of turning Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Jobs Opportunities and Basic Skills (JOBS) programs from entitlement into a single block grant called Temporary Assistance to Needy Families (TANF), a section of the Personal Responsibility and Work Opportunity Act of 1996 (Welfare Reform Act), proved to be politically successful. When President Clinton signed the Act into law both branches of government and both political parties could legitimately claim that welfare had been reformed. Welfare dependency on government will be reduced, the feds have yielded more control to the states and all the players can now claim credit for the substantial federal savings that this strategy will eventually create. However, the essential step required to fulfill this grand strategy of decentralization is, in fact, to move much of welfare decision-making closer to the local level. It is now up to the states and their counties to take this step and to achieve the goals of welfare reform inside the county courthouse.

This paper addresses two core subjects facing Montana decision makers as a result of enactment of the Welfare Reform Act of 1996. The first subject deals with some of the tough implementation decisions facing the Department of Public Health and Human Services (DPHHS), the Governor, State Legislators and those involved

in the public input process required by the new law. The second section of this paper will then turn to a discussion on how to enhance the efficacy and efficiency of welfare services delivery while moving decision-making closer to the local level.

### State Level Implementation Decisions

Montana now has additional opportunity and authority to design and implement an innovative welfare policy.

Because of existing waivers of certain federal welfare program requirements which enabled Montana to develop and implement its own welfare reform program called Families Achieving Independence in Montana (FAIM) we are in good position to fine tune a program that was already headed in the right direction.

Much of the adjustment work has already been completed by the Department of Public Health and Human Services. However, with the passage of the Welfare Reform Act of 1996 additional adjustment decisions must now be made at the state level.

For example, states with federal program waivers such as ours are now in the position of having to decide which of their current program waivers should be maintained rather than simply adopting all of the program requirements and standards spelled out in the new federal law. These choices will be lined out in a "State Plan", which has, at this writing, already been drafted by the Department. The law requires this draft "State Plan" be made available for public comment for a period of 45 days. The Department has set that public comment time for November 1 through

November 15. During the 45 day opportunity, service providers, welfare recipients, advocates, citizens and local governments will have to comment on the plan. After public comment, the draft will go to the 1997 Legislature for its consideration. This will be the Legislature's first opportunity to review the State Plan.

All who are involved in the review of the State Plan and who want to help shape this watershed event may wish to consider the following issues which we believe will be central to the successful implementation of efficient and humane welfare reform:

1. Will the review process ensure that a broad range of citizens concerned about families and children be involved in the development of the State Plan and in the implementation of the new block grant funding? The TANF block grant requires that local governments and private sector organizations be allowed 45 days to review the plan for delivery of welfare services. Hence, the Department should allow experts to testify on the efficiency and effectiveness of service delivery and it should consider information gathered in focus groups, special surveys or other relevant outreach efforts. In Montana, it will be essential to enable and encourage wide public participation in the development and evolution of a successful welfare reform policy.

2. Will the state maintain or increase current spending on child and family services and benefits? If Montana does not maintain 100% of the base year level it will not be able to access additional federal funds, such as federal contingency funding available in case of recession. There are a variety of ways state "maintenance of effort" funds can be employed.

3. Will the Department define guarantees to insure that eligible families in need are not turned away or placed on waiting lists? The Department should define Montana's welfare eligibility standards such that every family in Montana in need can be served and this will provide broad policy direction for local officials to follow. A state reserve should

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be developed that can be tapped when case loads increase or in times of economic downturn.

4. Will local program flexibility and all FAIM program components that lead to self sufficiency be maintained? Any program delivering savings from FAIM implementation should stay in the county and go toward support services and training options in that county.

5. Will the safety of children be assured when the parents are required to work? The success of reform is dependent on an adequate supply of quality child care. Montana should exercise its option to exempt parents with infants under age one from work requirements which will remove these parents from calculated work participation rates.

6. Will Montana maintain 100% of its current state investment in child care? States can only receive their full share of the \$6.6 billion in new federal child care dollars by maintaining and providing new matching funds.<sup>1</sup>

7. What innovative actions by the state, counties and private sector will increase the supply of jobs in Montana? In August of 1996 the number of adult AFDC cases in Montana was 9500. By 2002 these 9500 adults must find work to support their families.

8. Will the Department work with local governments to design new decision making structures which will assure county involvement in the design and implementation of the changes that will come with block grant? The next step in welfare reform is moving decision-making to the local level and discussions on how to do that should continue so that local officials are prepared.

9. What systemic preventative approach will work to reduce teen pregnancies in Montana? There is financial incentive built into the federal package for those states that reduce teen pregnancies without increasing abortion rates. The state should include and enlist all the interested parties (churches, insurance companies, schools, private sector, etc...)

on this topic as a means to save money. Incentives should be provided for the local level if the state receives bonus money.

### Local Decision Making

A core assumption of the welfare block grant strategy is that the effectiveness and efficiency of welfare delivery will be improved by moving deci-

***States and counties now have a mandate to address long-term budgeting issues, to reduce administrative redundancy and to coordinate welfare policy.***

sion making to the local level. With the new welfare reform law in place it is now up to state and county governments to begin a dialogue to assure that this outcome will be achieved. The federal government has given Montana the authority to create

new, local service delivery models based upon county level decision making. Moreover, one effect of block granting a federal program will be a reduction of federal funding which will, in turn, leave state and local governments with the choice of either reducing program benefits, or supplementing federal funding with local resources. The President of the National Association of Counties, Michael Hightower, says that the critical question that will soon confront county commissioners is: "How high are counties going to have to raise local property taxes simply to absorb the emergency health care costs of people who no longer qualify for medical assistance under block grants?" This is but one of the many core issues that state and county governments must soon discuss if the long term success of welfare reform is to be assured for Montanans.

There are a variety of ways that local welfare service delivery can be improved and the goals of welfare reform be achieved. Whether the goal is to produce more comprehensive services or to tailor existing services to better meet local needs, local decision making does appear to bring accountability and, thus, efficiency to the community level.



As a result, community responsibility and support may be strengthened. What follows are concrete examples of what other states have done to localize decision making in the delivery of welfare services.

- In 1970 Wisconsin initiated a project enabling comprehensive planning and coordinated welfare service delivery, leading to increased efficiency, effectiveness, and accountability. The project allowed county governments to organize the administration of the human services programs in locally determined ways. Most counties chose to integrate all their human services under one agency including mental health, substance abuse, development disabilities, and aging services. The project incorporated a number of categorical funding streams and integrated management and services under one umbrella agency at the local level.

While the Wisconsin program has not resulted in an increase in state financial support, it has maintained stable support for county-level human service delivery and has allowed local flexibility within broad state guidelines. What Wisconsin has learned is that counties must be proactive in demonstrating the value and importance of the welfare services they provide under broadly defined block grants.

- In 1990 the West Virginia Legislature created the Governor's Cabinet on Children and Families. One of the primary initiatives of the Cabinet is to support Family Resource Networks (FRNs). The FRNs are county based, community organizations that represent a single county or a consortium of counties, and serve to integrate services for children and families. A legislative allocation allowed the Cabinet to fund five FRNs and a private foundation funded two more. The Cabinet has the power to waive state regulations and move funding across agencies if needed, thus allowing local flexibility in program design and implementation. The FRNs must be a consortium of health, human services and education providers governed by a local board.

- Governor Pete Wilson of California signed legislation to run a pilot project in five counties, which would determine whether local communities can better serve children and families if categorical funds are blended. The five counties chosen must develop a vision and goals statement for the county and the Coordinating Council must include county, city, and school officials from the fields of education, juvenile justice, and health and human services, as well as social service providers, labor organizations and welfare recipients. Each county is expected to monitor and evaluate their own programs. The Governor and the Health and Welfare Agency are committed to removing barriers to implementation, including, where appropriate and feasible, state and federal law or regulation through the waiver process. This project does not require any additional funding and it decategorizes previous funding streams thereby creating more local flexibility.<sup>2</sup>

- Another approach to decentralization was taken by the Arizona Department of Health Services which actually contracts out its management role. The Department contracts with the Community Organization for Drug Abuse, Mental Health and Alcoholism Services, Inc. (CODAMA). This not-for-profit organization manages \$17 million in state contracts, and has the responsibility to review contracts and encourage efficiency and effectiveness through the contract renewal process. A non-governmental program manager such as this can act more quickly than a state agency and may be less susceptible to political considerations.<sup>3</sup>

## Conclusion

Because welfare reform is now the law of the land, local elected officials, public and private leaders, and the human services community must become involved in the tough choices that will be made in the design and delivery of welfare. Welfare reform is about more than balancing the Federal budget. The Welfare Reform Act of 1996 enables and encourages local involvement in what have traditionally been exclusively federal and state decisions. States and counties now have a mandate to

address long-term budgeting issues, to reduce administrative redundancy and to coordinate welfare policy.

Our country and Montana has a long history of helping those in need but need is not going to go away simply because we reduce funding for human services. New delivery alternatives and new state, local and service provider partnerships must be created to respond to what will be a continuing demand on county government for social services.

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<sup>1</sup> Aravosis, John. "Implementing the New Welfare Law." Children's Defense Fund, September 20, 1996.

<sup>2</sup> The Finance Project. "State Investments in Education and Other Children's Services: Case Studies of Financing Innovations." Public Innovator Learning Network database.

<sup>3</sup> Osborne, David. and Gaebler, Ted. Reinventing Government. Reading: Addison-Wesley, 1992.

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