New England Journal of Public Policy

Volume 15 | Issue 1 Article 6

9-23-1999

Welfare Reform: Lessons from New England

Richard M. Francis
Brown University

Thomas J. Anton
Brown University

Welfare Reform — Lessons from New England

Richard M. Francis
Thomas J. Anton

This article examines state welfare policy choices following the passage of the Personal Responsibility and Work Opportunity Reconciliation Act. Using data from national studies and an intensive study of policymaking in New England, the authors demonstrate that states have acted independently rather than uniformly in response to devolution. Because states did not respond as predicted, and for reasons that were not anticipated, scholars must develop new approaches to understanding state policymaking. This study argues that accounting for state policy choices requires an understanding of the context of policymaking. Conventional analyses of welfare reform have ignored the institutional structures through which policy is formulated and thus miss the most important determinant of choices: the actions of administrative officials. The lesson of welfare reform in New England is clear: administration matters.

It is three years since President Bill Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act into Law. While it clearly is too early to attempt definitive conclusions about the significance of that action, it is also clear that the experiences of the past thirty-six months are beginning to reveal interesting patterns of behavior as states implement welfare reform. Those patterns are important not only because they reveal the scope and direction of state welfare policy but also because they challenge much of the conventional wisdom about the sources and quality of state government actions. In this study, we use the experiences of the six New England states to offer some preliminary observations about the content of state policymaking in reforming welfare. We also use these experiences to examine the conventional wisdom developed by social scientists to think about this most recent effort to reform American welfare policy. We argue that the way we think about welfare policymaking is as much in need of "reform" as the policy itself.

For those who may think that the experience of only six of the fifty states is too slender a reed for offering general conclusions of any kind, we suggest a different view, namely, that these states offer important analytic advantages for understanding emerging patterns of action. The first is diversity: New England includes large

Richard M. Francis, a graduate student in political science at Brown University, studies federalism and public policy. Thomas J. Anton, director of the A. Alfred Taubman Center for Public Policy and American Institutions at Brown University, specializes in public finance and intergovernmental relations.

and small states, rich and poor states, urban and rural states, and states whose reform efforts will be shown to range from very restrictive to very liberal. Since our interest is in identifying potential patterns rather than established patterns, diversity among these six states is analytically useful. Second, for all its diversity, New England remains an identifiable region with permeable state borders that should shed some light on issues such as the extent to which state policymakers are constrained by the decisions made by other states. Finally, we make liberal use of results beginning to appear from studies with a national focus. Comparing observations of six states with data available from numerous other states enables us to offer insights enriched by both regional and national studies.

What New England States Are Doing

We begin with two obvious but often unappreciated points. The first is that the New England states have been pursuing welfare reform for many years. Enactment of national welfare reform in August 1996 did not initiate or force reform efforts in New England, it merely rearranged the structural incentives through which reform would be pursued. Even if we ignore the well-documented effort by Massachusetts to reform its welfare system in the 1980s, it remains true that Vermont initiated its reform in 1991 and that the other states in the region became active in the early 1990s as well.[1] Each state has had to accommodate its programs to the new national legislation, to be sure, but the federal-state relationship here is accommodation, not dictation.

The second point is that each of the six New England states has followed its own independent path in shaping new welfare policies. None of the states has attempted to impose some model solution on its citizens, and none has attempted to simply copy proposals adopted by its neighbors. Instead, each of the states has attempted to craft policies designed to deal with its own peculiar mix of problems and opportunities. This is not to say that New England state policymakers have ignored policies adopted in other states — far from it. But information from other states has been filtered through each state's traditions, culture, and institutional structure before being adopted, dropped, or modified. Put another way, each state has acted as a separate political entity, with independent authority, free to shape welfare policies to meet its own political and economic imperatives.

One way to appreciate the variety of choices made is to examine the content of state plans filed with the national government as a condition of receiving the new federal Temporary Assistance to Needy Families (TANF) block grant. Based on information provided by the American Public Welfare Association in its September 1997 *State-by-State Welfare Reform Policy Decisions*, Table 1 provides a rank ordering of the fifty states according to the relative generosity of their reform policies. The ranking is based on thirteen common policy options found in state TANF plans.[2] For each policy, states were awarded one point if they chose the more generous option — for example, not having a TANF time limit shorter than sixty months — and penalized one point if they chose such more restrictive policy as denying TANF to legal noncitizens. All options were weighted equally to provide a composite score for each state that in principle could range from a high of plus 13 to a low of minus 13.

Table 1

Ranking of State TANF Plans

State	Score	State	Score
Rhode Island	+11	Kansas	+3
Maine	+10	Indiana	+3
Colorado	+9	Arkansas	+3
Vermont	+8	North Carolina	+2
Utah	+8	Nebraska	+2
Texas	+7	Georgia	+2
Ohio	+7	Tennessee	+1
Oregon	+7	New Mexico	+1
Iowa	+7	Nevada	+1
South Carolina	+6	Mississippi	+1
Kentucky	+6	Minnesota	+1
Alaska	+6	Virginia	+1
West Virginia	+5	Connecticut	+1
Washington	+5	Alabama	+1
Oklahoma	+5	Wisconsin	0
Missouri	+5	Maryland	0
Hawaii	+5	Wyoming	−1
Delaware	+5	Virginia	−1
Arizona	+5	South Dakota	−1
New Jersey	+4	Idaho	−1
Pennsylvania	+3	Florida	−1
New York	+3	North Dakota	−2
New Hampshire	+3	California	−2
Montana	+3	Illinois	−3
Michigan	+3	Massachusetts	−5

Source: American Public Welfare Association, *State-by-State Welfare Reform Policy Decisions,* September 1997, processed.

The range of policy choices revealed in Table 1 underscores the difficulty of generalizing about state welfare reform decisions. Some states have preserved generous policies, the majority have balanced liberal and restrictive provisions, and about one fifth of the states have chosen to adopt more restrictive eligibility requirements. Clearly, states have not followed any single pattern. Instead, as the American Public Welfare Association itself concludes, the "underlying theme that emerges . . . is that states are taking a wide variety of approaches . . . [and] the mix of assistance and services for [TANF] families is quite diverse."[3]

Nowhere is that diversity more pronounced than in New England. As Table 1 reveals, New England state welfare reform plans range from the most generous — Rhode Island — to the most restrictive — Massachusetts — policies in the country, affirming our earlier observation about the independence of state actions. Even among the remaining four states, there is considerable variation in the types of policies chosen. In only two issue areas, providing TANF to legal noncitizens and refusing to drug-test applicants, did all six states report taking the same action. Like the nation as a whole, the region includes states that represent the entire spectrum of possible policy choices: generous — Rhode Island, Maine, Vermont; moderate — New Hampshire; and restrictive — Connecticut and Massachusetts.

These outcomes demonstrate that states choose quite different policies, even in instances where they border one another. This point is particularly important in New England, where migration to one of many states is facilitated by their proximity.

Indeed, considering that generous Rhode Island is sandwiched between restrictive Massachusetts on the east and restrictive Connecticut on the west, the difference in scores for these neighboring states is instructive. Clearly, decision makers in each state formulated their own policy goals, regardless of what their neighbors were doing.

The sheer variety of policies adopted by states across the country as well as in New England is an important discovery, since it casts doubt on theories which suggest that states would race to undercut each other when setting benefits. The hypothesis that under devolution "all states will be engaged in a race for the bottom, each state trying to shift the cost of welfare to its neighbors" has not happened in New England.[4] This point is emphasized even more when the timing as well as the quality of state plans is considered. The order in which state reform plans were enacted was Vermont, Massachusetts, Connecticut, New Hampshire, Maine, and Rhode Island. As Table 1 illustrates, these states scored +8, -5, +1, +3, +10, and +11, respectively, in the ranking, which indicates that there is no relationship between the date of submission of a state plan and the generosity of its provisions. To the extent that there is any pattern, it is one of increasing generosity over time. Maine and Rhode Island, the two most generous states in the country, submitted plans at least one month after other states had made their intentions known. The most telling example is Rhode Island, which adopted its policies a full two years after Massachusetts experimented with the waiver that would become its state plan.

The data shown in Table 1 make clear that variety, rather than some imagined race to the bottom, is the dominant characteristic of state policy choice. How can we explain such diverse policy outcomes?

Explaining Variety: Do Existing Theories Work?

Long before the passage of the Personal Responsibility and Work Opportunity Reconciliation Act, studies had found substantial differences among state welfare policies.[5] Even under old AFDC guidelines, states retained limited authority to determine eligibility requirements and benefit levels. Scholars have used several variables to explain policy variation, including state fiscal condition, tax capacity, population demographics, partisanship, and legislative professionalism.[6] Though there are differences among these studies, the general principle is straightforward: increases in the values of these variables lead to increases in welfare generosity. For example, states with favorable economic conditions, higher tax capacities, and more wealthy populations are likely to have more liberal policies. If a state legislature has a higher percentage of Democrats and a greater degree of professionalism, its policies are likely to be more liberal.

Set against the New England cases, however, these political-economic determinants of policy prove to be poor predictors of Temporary Assistance to Needy Families provisions. For example, Massachusetts, with the region's best growth rate, a high tax capacity, high per capita income, Democratic control of the legislature, and high legislative professionalism, should have adopted a generous state plan. Other examples are less clear cut, but none of the fiscal or political variables typically used to explain state policies adequately accounts for the direction of welfare policies in the six states.

Consider the presumptive impact of economic conditions on policy. Data available for one-year growth rates beginning the first fiscal quarter of 1996 and ending the first fiscal quarter of 1997 provide a context for examining the impact of a state's economy on its welfare policy. This time frame encompasses the period before states negotiated plans through several months after implementation. We have combined data on employment, personal income, and population to develop an index that ranks the states according to the growth of their economies. In Table 2, the national growth rate is set at zero. Each state's index reflects its performance relative to the national average.

Massachusetts, which has the highest economic growth rate, has the most restrictive policy. Rhode Island and Vermont, both among the most fiscally challenged states, have adopted generous welfare programs. Despite having less economic momentum than New Hampshire, Maine has a far more generous plan. Other economic indicators bolster these findings. Connecticut and Massachusetts have the highest tax capacities in the region (see Table 3), but the most restrictive plans. Rhode Island and Maine have the lowest tax capacities but the most generous welfare plans.

Table 2

Index of State Momentum, 1996–1997

State	Percentage
Massachusetts	0.50
New Hampshire	0.39
United States	*0.00*
Maine	–0.10
Connecticut	–0.30
Rhode Island	–0.77
Vermont	–0.88

Source: State Policy Research, Inc., *State Policy Reports*, September 1997.

A similar relationship occurs between income levels and state policy choices. In 1996, Connecticut ranked first in the country in per capita income; Massachusetts ranked third. The three states with the most generous provisions, Rhode Island (18), Vermont (29), and Maine (36), all had per capita incomes at or below the national average.[7] Instead of adopting generous plans, high-income states were the most restrictive. Low-income states were far less willing to choose restrictive policies.

Standard political indicators do no better at explaining welfare policies in the

Table 3

Tax Capacity, Percentage of National Average, 1994

State	Percentage
Connecticut	135.7
New Hampshire	113.1
Massachusetts	112.5
United States	*100.0*
Vermont	95.0
Rhode Island	93.5
Maine	88.7

Source: State Policy Research, Inc., *State Policy Reports,* January 1998.

New England states. Partisanship, for example, provides little help. The partisan composition of the six state legislatures in 1996, when TANF plans were developed, is reported in Table 4 below. Rhode Island, with the highest percentage of Democrats, 83 percent, adopted the most liberal plan. Yet Massachusetts also had large Democratic majorities in both houses of its legislature. To complicate matters, both states had Republican governors. From a partisan perspective, both states were almost exactly alike.

Partisan explanations also fail to account for other states within the region. Although New Hampshire had the lowest percentage of Democratic legislators, its state plan was more generous than those produced in Massachusetts and Connecticut. The percentage of Republican legislators was higher in Maine and Vermont than in Connecticut when TANF plans were formulated, yet these states produced more generous plans.

Table 4

Partisan Composition of State Legislatures, 1996

State	Democrats	Republicans	Percentage of Democrats
Rhode Island	124	26	83
Massachusetts	151	43	78
Connecticut	110	77	59
Vermont	98	79	55
Maine	91	93	49
New Hampshire	116	300	39

Source: Council of State Governments, *The Book of the States: 1996–97.*

Since four of the six states had Republican governors when TANF plans were submitted, it is difficult to assess the impact of gubernatorial partisanship. Nevertheless it is important to remember that the first state to submit its waiver request, Vermont, was led by a Democratic governor. States that had Republican governors produced policies which ranged from generous to restrictive, independently of which party controlled the legislature. This is especially noteworthy in New Hampshire, the only state that did not have divided control. As one New Hampshire legislator noted, "Our plan is outstanding, given how conservative New Hampshire is supposed to be."

Finally, legislative professionalism is believed to have a positive impact on the generosity of state welfare policy.[8] But legislative politics in Maine, Vermont, and Rhode Island are not as highly professional as in Massachusetts and Connecticut. Even New Hampshire, with its highly amateur style of politics, produced a plan far more generous than those of most other states. Contrary to expectations, states with less professional politics produced more generous plans in the region.

Why Explanations Fail: Models and Methods

The failure of conventional economic and political indicators to illuminate welfare reform in New England may reflect nothing more than the difficulty of attempting to derive general conclusions from a very small number of cases. In our view, however, there is another serious problem, which is the absence of intervening institutions in popular explanations of policy outcomes. In using measurements of economic or political conditions to explain policy, the assumption seems to be that there is a direct relationship between the measured condition and policy. Public policies, in this conceptualization, reflect nothing more than the aggregate conditions measured by numerical indicators. Wealthy people have more money to spend, thus wealthy states are likely to have more generous welfare plans, and vice versa. If Democrats are liberal and Republicans conservative, legislatures dominated by Democrats will produce liberal plans and legislatures dominated by Republicans will produce restrictive plans. In this view, understanding policy is little more than an exercise in demographics.

This representation is something of a caricature, to be sure, but we believe it captures much of the popular thinking about welfare reform and helps to account for the popularity of the "race to the bottom" hypothesis. Those who have predicted such a race typically have believed that all states are dominated by business interests, which are uniform in their desire for less government spending and lower taxes; hence all states will be driven to lower their welfare benefits. So long as a uniform business interest is assumed rather than examined, and so long as the entities referred to as states remain equally unexamined, this model has an appealing logic. Business seeks the lowest-cost bottom line and, seeking to accommodate business interests, states respond by cutting benefits as they race to the bottom. In some unspecified and unanalyzed way, a uniform business interest is directly translated into state policy.

Yet if we know anything about public policymaking it is that public policy is more than the sum of pressures from some group or groups in a given jurisdiction. Peter Hall has persuasively argued that political pressures are mediated by "an organizational dynamic that imprints its own image on the outcomes . . . [and] institutions that aggregate the opinions of individual contributors into a set of policies . . . have their own effects on policy outputs."[9] It is precisely these institutions and organizational dynamics, of course, that are completely absent from analyses based on relationships between aggregate data and policy outcomes. To understand welfare reform in New England, therefore, we need to move beyond aggregate relationships to the institutions and dynamics that imprint their images on policy outcomes. We suggest that an examination of the development of welfare policy in the New England states reveals patterns waiting to be explained, patterns that are missed when treating policy as nothing more than the reflections of overall political forces. The assumptions of existing theories simply do not reflect the realities of the formulation and implementation of welfare policy in New England.

Institutions and Dynamics

For those concerned over the presumptive dominance of business interests in state policymaking, it will doubtless come as a surprise to learn that the voice of business has been largely absent from deliberations over welfare reform in New England. Administrative officials in all the states report that they have not been lobbied by business interests seeking to influence either welfare policy or its implementation. As a member of Vermont's Agency of Human Services notes, "We have not really been contacted by businesses . . . the business community has not applied much pressure." In Maine, members of that state's advisory group have argued that "business groups are not at all involved with negotiations over Temporary Assistance to Needy Families." In New Hampshire, where business groups historically have been strong, the role of these groups has been minimal. According to a New Hampshire lobbyist, "Business groups are not important . . . Policymakers know they are there, but it's not clear how they fit in."

Even welfare advocates, themselves wary of business power, agree that economic groups have not been major players in the formulation of waivers and TANF plans. Advocacy groups in Connecticut and Massachusetts contrasted their own relative lack of access to the John G. Rowland and William F. Weld administrations with the close relationships business organizations appeared to have with officials of those governments. Nevertheless, both state officials and lobbyists noted that business groups did not seek to influence the process. According to one member of Connecticut's Department of Social Services, "Business was not very involved in negotiations." Welfare advocates in Massachusetts also agreed that, if anything, influence from business came in the form of more general pressure to keep the state fiscally strong.

Business did play a critical role in shaping welfare reform in Rhode Island, but it was not the role uninformed observers might have predicted. Early in 1995, the Rhode Island Public Expenditure Council (RIPEC), a business-financed watchdog group, joined with the Campaign to Eliminate Childhood Poverty and other community groups to explore the options available for reforming welfare in Rhode Island. This early study group later became a coalition that developed its own plan for welfare reform that ultimately became the basis for both the new state law and the TANF plan. One of the major objectives of this coalition plan, however, was to prevent a 15 percent reduction in welfare benefits that was proposed by Republican Governor Lincoln Almond. Led by RIPEC, the coalition was successful in fending off the proposed reduction and, in agreement with Governor Almond, was also successful in expanding medical care and creating a new child care entitlement for the state's welfare population. Having played a major role in policymaking, however, RIPEC has since taken no part in ongoing efforts to implement the new legislation. As RIPEC's executive director said later, "Once we got the legislation passed, I didn't feel it was our place to be looking over their shoulders in the implementation process."

The general lack of business participation in shaping state welfare policy in New England, coupled with one business organization's support for higher rather than lower benefits, suggest the fallibility of untested assumptions about business behavior. Although business control over state welfare policies is often alleged, it remains unclear why business should even be interested in welfare. Business and welfare client populations seldom overlap by much, the amount of money spent on welfare is small relative to other items in state budgets, and other issues such as overall tax climate are far more salient than welfare to most business leaders. Even when business does become involved, the RIPEC example makes clear that business groups need not uniformly oppose liberal welfare provisions. Business groups differ in size, they differ in structure, they differ in purpose, and they differ in quality of leadership. Whether or not business is engaged, and to what ends, must therefore be a matter of investigation, not assumption.

In addition to the general absence of business participation in shaping state welfare policies, there is one other common element that has characterized reform processes in the New England states: the leadership demonstrated by the governors and their senior welfare administrators. In each of the states except Rhode Island, it was the governors who initiated reform proposals and senior administrators who have been primarily responsible for implementation. Even in Rhode Island, where the governor's plan was in competition with an alternative plan that had been introduced earlier, many of the governor's proposals were incorporated in the compromise proposal that was eventually passed unanimously by the legislature. The governor had competition in Rhode Island, but he remained a major player and a major influence on the new legislation. It is also important to note that implementation of the new law has been entirely in the hands of the governor's senior staff in the Department of Human Services.

None of this should be taken to mean that state legislatures have been unimportant. On the contrary, on several occasions in several states, legislatures blocked welfare reform bills proposed by governors, forcing changes in them. On other occasions, as in Maine, the legislature approved a bill authorizing the Department of Health and Human Services to put together a waiver request. A small number of legislators in each state also have participated actively in groups that deliberated over policy choices and, later, in groups created to monitor implementation. On the whole, however, legislatures have been reactive, taking action largely in response to proposals put forward by governors. It is the governors who have led the way in offering proposals, thus defining the terms over which political debates would occur.

The Significance of State Administration

Perhaps the most important characteristic of welfare decision making in the New England states, however, is the comprehensive and powerful role played by state administrators. In each state, senior administrators helped to shape new welfare policies, and once new policies had been determined, they assumed principal responsibility for implementing those policies. Agency officials used their considerable discretion in turning policy into action in different ways, notably in the degree to which they provided access for welfare advocacy and community groups seeking to influence decisions. Where such access was provided, implementation decisions were more liberal; where it was not, decisions were more restrictive. This was always true, independent of the state's political or fiscal condition.

In the four states with the most generous policies, senior administrators acted imaginatively by creating Welfare Reform Advisory Groups (WRAGs) consisting primarily of pro-welfare organizations. These groups were organized in states with various political environments. States with Democratic, Republican, and Independent governors had advisory groups, as did states with divided and unified control in the legislature. In Vermont, Maine, and Rhode Island, administrative officials formed WRAGs prior to the formulation of Temporary Assistance to Needy Families plans and continue to meet with these groups over implementation issues. In New Hampshire, a WRAG was formally established later, after department officials had submitted the TANF plan, although informal meetings between officials and groups were quite common before this time. In Connecticut, the Department of Social Services employed a statewide council to solicit input, but officials did not convene a formal WRAG at any point. Unlike the other states, Massachusetts did not make any arrangements for WRAGs and took the unprecedented step of suspending the forty-five-day comment period on TANF provisions.

Advocates in Rhode Island, Vermont, Maine, and New Hampshire all believe that officials have been receptive to their suggestions and that policies reflected their preferences. One member of Maine's WRAG commented that "there was a great deal of working between state [officials] and groups . . . The department saw great value in engaging groups." A member of Rhode Island's WRAG noted that the state had achieved "a good law, a fair law," but expressed concern that elected officials would undermine the terms of reform agreed upon by the Department of Human Services and advocate groups. One New Hampshire WRAG member voiced a similar preference for working with agencies and not elected officials, arguing that "we are far more comfortable dealing with [administrative] folks. State agencies are long-termers . . . As open as [deliberations] are now, more advocates are invited to the table." Another member of that group argued that the deliberations with the department were the most effective way to communicate preferences, since agency officials "are more friendly than legislators — some of these people have human service training." In fact, the bulk of New Hampshire's plan was actually written by the director of Health and Human Services, who is a former member of a prominent low-income advocacy group.

Administrative officials in these states similarly affirm the value of group input. As the director of the Rhode Island Department of Human Services remarked, "A lot of credence is given to advocacy groups . . . We listen a lot to what they have to say." A member of Vermont's Agency of Human Services agreed that "the contributions of advocacy groups have made a big difference in shaping welfare policy in this state," adding that the coordination of the WRAG with the agency "moved Vermont into a more supportive stance than if it had just gone with the terms of the federal plan."

In Massachusetts and Connecticut, on the other hand, agencies and advocates were largely adversaries rather than allies. Officials in these two states provided the fewest opportunities for welfare supporters to contest policy decisions, and bargaining opportunities did not exist as they did in the states that produced more generous provisions. Both Connecticut and Massachusetts officials typically relied on formal channels of influence such as legislative hearings to solicit information. Not surprisingly, advocates in these states were frustrated by the refusal of officials to work more closely with them to develop policy. One Connecticut lobbyist characterized the Department of Social Services as an adversary, adding that "the contributions of advocacy groups are not taken as significant." Even a senior official of the department admitted that pro-welfare groups "did not have ready access to the department." Massachusetts advocates were also concerned about their declining influence on state officials. One group leader said that, in contrast to previous administrations, "members of state agencies are now unfriendly . . . The types of people in charge now are not public service types." These kinds of comments, typical in Massachusetts and Connecticut, were a far cry from the relatively warm characterizations of administrative officials expressed by advocates in the other New England states.

Whether they supported liberal or restrictive welfare policies, then, administrators in the New England states were critical actors in defining state policies and in deciding how to implement them. This should not be surprising, given the literature on public bureaucracies, which has repeatedly shown that administrators typically formulate plans, mobilize constituencies, provide access to favored groups, and advocate for policies that can benefit them and the populations they serve.[10] What is surprising is the relative lack of attention paid to the role of state administrators in the many speculative discussions about the consequences of welfare devolution. Focusing attention on administrative actions allows us not only to develop a better understanding of the sources of policy variety but also to observe emerging patterns of policymaking that may have lasting significance.

Consider, for example, the Rhode Island WRAG, probably the most innovative and most fully developed of the New England advisory groups. Technically called the Implementation Subcommittee of the Task Force on Federal Legislation of the state Children's Cabinet, this group was initiated by Christine Ferguson, director of the Department of Human Services, at the request of several community groups. Membership is essentially open-ended and includes any community group, advocacy group, and service provider organization that chooses to attend, as well as senior administrators from the department and any other interested parties, such as lobbyists or former legislators. The open-ended nature of membership means that the semiweekly meetings can be very large, sometimes attended by more than seventy persons, depending on the topics under discussion. It is difficult to imagine a more effective vehicle for generating the broadest possible range of opinions from community organizations, including those which had successfully opposed the reform plan developed by the department and put forward by the governor.

In a memorandum creating the subcommittee, the Department of Human Services (DHS) gives it extraordinarily broad responsibilities: "The committee . . . can serve as a community sounding board and planning body to assist DHS as it implements the federal Personal Responsibility and Work Opportunities Act (PRA) and the state Family Independence Act. *It would also address broader children and family issues.* As needed, smaller work groups would break off to do more intensive, time-sensitive work on specific issues" (italics added). The subcommittee began meeting in the fall of 1996 and has been meeting every other week for two hours ever since. DHS senior staff attend every meeting and provide information and staff assistance to the subcommittee and the several task forces it has created to address separate issues. In keeping with its mandate, the subcommittee has addressed a broad range of issues from intake procedures and client assessment to substance abuse and domestic violence. It has also prepared a detailed set of recommendations following its review of the new program design being implemented by DHS. Most recently it has been reviewing the plan developed by the Department of Labor and Training, in conjunction with DHS, to administer the new Welfare to Work funds.

As this brief review suggests, Rhode Island's new Implementation Subcommittee has become a forum for an ongoing public dialogue between DHS and the state's welfare community over many policy issues, large and small. After three years of meetings, regular participants are on a first-name basis, a degree of trust has replaced mutual suspicion, and both DHS and subcommittee members agree that the subcommittee's work has been helpful in shaping policy. The subcommittee is neither an administrative arm of DHS nor a coalition of community groups but a little of both. Fundamentally it is a forum in which community representatives are brought directly into the decision-making process and senior DHS administrators get immediate feedback, positive and negative, about their decisions, even as they are making them. Although administrators sometimes are uncomfortable with the immediacy of criticism, and while group representatives sometimes feel uneasy over straddling the line between influence and co-option, both sides continue to work energetically on the complexities of reforming welfare. For the moment this new instrumentality appears to be working. Whether it will ultimately be abandoned as a failed experiment or modified or made permanent remains to be seen.

Conclusions

Welfare reform in New England has confounded those who have based their expectations on unexamined assumptions about the structure and dynamics of federal-state relations. Within this region, at least, there is no evidence of any race to the bottom, with states competing against one another to achieve the lowest benefit levels. Business groups have not led such a race; indeed, business groups have had little or nothing to say about reforming welfare. Nor have governors or state legislatures engaged in such a race. Furthermore, neither gubernatorial proposals nor legislative responses have been based on the actions of neighboring states. Instead, states have crafted their own policies to deal with their own welfare problems, which accounts for the variety in those programs. The results are that three states have enacted reforms that rank among the most generous in the nation, another state has enacted reforms that are average in generosity, and two states have enacted less generous policies; Massachusetts, whose reforms are the most restrictive in the nation, is one of the two.

Conventional analysis that attempts to associate various indicators of political or economic conditions with policy is of little help in understanding these outcomes. Conventional analysis pays little attention to the institutional systems through which policies are developed and thus misses the most important source of welfare policies in New England: the actions of state administrators. Four states have relatively liberal policies because administrators in those states sought out members of community and advocacy groups, listened to them, crafted policies based on what they heard, and invited such groups to help implement the policies. Two states enacted relatively restrictive policies because administrators, following the lead of their governors, kept community and advocacy groups at arm's length and paid little attention to their recommendations. We cannot yet say whether the more liberal policies will work better than the more restrictive policies to move welfare recipients into jobs, but we can at least appreciate how those policies came into existence. Administration matters.

We note in closing that the New England experience challenges the analytically popular notion that welfare constituencies and the groups that represent them lack the ability to contest state policies effectively. In four New England states, after all, welfare advocacy groups were able to exert considerable influence, largely because of the actions of state officials. Institutional contexts, in short, determine the groups that will or will not succeed in being influential, and thus which policies are enacted. Because state capitals are often small in size, with large numbers of advocacy groups that have relatively easy access to both legislators and administrators, such groups may in fact have greater opportunities for influence in states than they have in Washington, where arguments are often drowned out by expensive media campaigns. As Howard Leichter has argued, "In the states, special interests must compete with various citizen groups . . . [This] represents an important strategic improvement over the role [low-income] groups now play in the national arena."[11]

Analyses that ignore state institutional settings, and the actions of administrators within such settings, will continue to miss much that is critical to our efforts to reform welfare.

We thank our fellow panelists at the 1998 Annual Meeting of the New England Political Science Association, as well as the A. Alfred Taubman Center for Public Policy and American Institutions, Brown University, and the Rhode Island Foundation for their support of this research.

Notes

1. Robert D. Behn, *Leadership Counts: Lessons for Public Managers from the Massachusetts Welfare Training and Employment Program* (Cambridge: Harvard University Press, 1991).
2. These criteria are Temporary Assistance to Needy Families (TANF) limit shorter than sixty months; provide TANF to legal noncitizens; deny TANF to drug felons; drug testing of TANF applicants; transitional child care longer than twelve months; transitional Medicaid longer than twelve months; family cap excluding additional benefits for other children; different treatment for families from other states; work requirements shorter than twenty-four months; community service after two months; allow individual development accounts; diversion assistance provided; and subsidized employment.
3. American Public Welfare Association, *State-by-State Welfare Reform Policy Decisions* (Washington, D.C.: Welfare Reform Information Center, 1997), 4.
4. Paul E. Peterson, *The Price of Federalism* (Washington, D.C.: Brookings Institution, 1995), 127.
5. Kim Hill, Jan E. Leighley, and Angela Hinton-Anderson, "Lower-Class Mobilization and Policy Linkage in the U.S. States," *American Journal of Political Science* 39 (1995): 75–86; Peterson, *The Price of Federalism*; Thomas R. Dye, *Competitive Federalism: Competition Among Gov*ernments (Lexington, Mass.: Heath Publishing, 1990).
6. Robert D. Brown, "Party Cleavages and Welfare Effort in the American States," *American Political Science Review* 89 (1995): 22–23; Peterson, *The Price of Federalism*; Robert D. Plotnick and Richard F. Winters, "Party, Political Liberalism, and Redistribution: An Application to the American States," *American Politics Quarterly* 18 (1990): 430–458.
7. State Policy Research, Inc., *State Policy Reports* 16 (January 1998): 12.
8. Peterson, *The Price of Federalism*.
9. Peter Hall, *Governing the Economy: The Politics of State Intervention in Britain and France* (New York: Oxford University Press, 1986), 19.
10. Michael J. Rich, *Federal Policy-Making and the Poor: National Goals, Local Choices and Distributional Outcomes* (Princeton: Princeton University Press, 1993); Phillip B. Heymann, *The Politics of Public Management* (New Haven: Yale University Press, 1987); Joel D. Aberbach, Robert D. Putnam, and Bert A. Rockman, *Bureaucrats and Politicians in Western Demo*cracies (Cambridge: Harvard University Press, 1981); Aberbach, Robert D. Putnam, and Bert A. Rockman, *Bureaucrats and Politicians in Western Demo*cracies (Cambridge: Harvard University Press, 1981); Thomas J. Anton, *Administered Politics: Elite Political Culture in Sweden* (Boston: Nijhoff Publishing, 1980).
11. Howard Leichter, "State Governments and Their Capacity for Health Reform," in *Health Policy, Federalism, and the American States*, edited by Robert F. Rich and William D. White (Washington, D.C.: Urban Institute Press, 1996), 170.