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## SPECIAL REPORT:

### OVERHAULING WELFARE IN WISCONSIN

The state of Wisconsin, marveled Theodore Roosevelt in a 1912 essay, leads all others as "a laboratory for wise experimental legislation aiming to secure social and political betterment of the people ..." He attributed that happy circumstance to "The Wisconsin Idea," an ongoing partnership between progressive politicians and reform-minded scholars at the University of Wisconsin.

Nowadays scholars and politicians in Madison are again immersed in social experimentation. Their aim this time is nothing less than an overhaul of the public welfare system—first the state's, then the nation's—beginning with mechanisms that provide support to children in single-parent households.

The ranks of those children keep expanding, as do their needs. If "the feminization of poverty" sums up one aspect of today's social scene, the "iuvenilization" of poverty reflects another. In the 1970s the number of families headed by women doubled and the number of never-married mothers tripled. Some 40 percent of the nation's under-eighteen population will spend at least part of their growing up in singleparent families. Because poverty is closely related to family structure, more than half of those families will be poor. Overall, at least seven million children of single parents live below the poverty line. Most are eligible for public assistance from Aid to Families with Dependent Children, or AFDC.

Virtually everyone agrees that AFDC is not only outdated but also that it inadequately balances competing demands. Some critics cite AFDC's high cost and its tendency to discourage work and promote dependence. Others point to its Spartan benefits (in most states) and the stigma associated with it. Nobody likes the way it encourages some families to split up so they can collect benefits.

AFDC's underlying dilemma is how to balance society's concern that children not grow up poor with the reality of a la-

bor market that pays low wages to adults with limited skills. Someone who works full time at the minimum wage still earns less than what it costs to maintain a family of three. Single parents, especially those with young children, have a particularly difficult time being both child-

a series of innovations collectively called the Child Support Assurance System (CSAS). The plan's chief architects are Irwin Garfinkel, a forty-four-year-old social worker and economist, several colleagues at the university's Institute for Research on Poverty (IRP), Tom Loftus, speaker of the Wisconsin State Assembly, and the Wisconsin Department of Health and Social Services. The Foundation has been supporting their planning and research since 1980.

CSAS posits an appealing blend of public and private obligations. It stipulates that in matters pertaining to



Irwin Garfinkel of the University of Wisconsin's Institute for Research on Poverty is a chief architect of Wisconsin's new system to guarantee a minimum level of support for children in single-parent households.

rearer and wage-earner. Faced with a Hobson's choice of working or going on welfare, many of them choose not to work.

Created more than fifty years ago, mainly for widows and their children, AFDC has not kept pace with the dramatic social, demographic, and economic transformations that followed. Whereas lawmakers in 1935 assumed the program would gradually shrink as widows gained protection from the survivors' insurance plan under Social Security, just the opposite has come to pass. Today, AFDC supports millions of children whose fathers are alive and some of whom are capable of contributing to their children's upkeep.

Wisconsin's answer to all this has been

children's welfare, we are all ultimately responsible, but parents' responsibilities are greatest. Where single-parent households are concerned, the program makes an emphatic point of enforcing fair contributions from the absent, or "noncustodial," parent (nearly always the father). But when parental incomes fall short of adequacy, the rest of us would be required to assist through a variety of publicly sponsored supplements. In effect, the public would become the parent of last resort.

What's more, child-support payments would continue even if the single parent began earning an income. Unlike the current system, the payments would not be reduced once the parent got a job. Instead, poor single women would be

treated like divorced middle-class women who receive child support. They would thus have a significant financial incentive to get a job, even a part-time job.

Estimates of the program's net new cost to taxpayers have run from zero to negligible, thanks mainly to the additional support to be exacted from absent fathers. Those extra dollars, says Garfinkel, will reduce the need for AFDC expenditures, and the savings can be passed along in the form of child-support subsidies.

Part of Wisconsin's plan—the part affecting absent fathers—is already in place throughout the state, and it seems to be working, though many pertinent statistics remain untabulated. The more public components, which will assure a minimum benefit for every child and possibly a work-incentive supplement for the single parent, are still on the drawing board. A trial run in two counties is scheduled to begin in mid-1988, pending the federal government's approval of the state's request to waive current AFDC rules. Meanwhile, several other states, including New York, Vermont, and Massachusetts, are considering experiments along similar lines.

There are signs, too, that Washington has begun to take note. As far back as 1975, the U.S. Congress created a federal Office of Child Support, thereby signaling a fresh national interest in the economic problems of single-parent families. Congress took another major step when, by unanimous vote, it passed the Child Support Act of 1984. That measure required states to establish child-support guidelines for use by family court judges; it also attempted to make it easier for single mothers to collect payments from defaulting fathers. Now, under prodding by Senator Daniel Patrick Movnihan of New York, the lawmakers may be inching toward a Wisconsin version of welfare reform.

#### A Revolution in the Making

"It's just possible that a revolution is under way," says Robert Reischauer, a Brookings Institution economist who specializes in welfare complexities. But he quickly adds, "I find it hard to believe it is not going to be controversial."

If a revolution is indeed in the making, it can be said to have begun in earnest

about a decade ago, when a young woman named Judith Cassetty, one of Garfinkel's graduate students, submitted a Ph.D. dissertation entitled "Securing Support from Absent Fathers." (It was published by Lexington Books in 1978 under the title Child Support and Public Policy.)

Cassetty took the position that every parent who lived apart from his or her children should be required to share income with them. The government, she said, had a duty to enforce child-support payments in ways that would assure children "the fullest benefits to be derived from the resources of both parents." She called on policy makers to set fair payment standards, to "fix child support at a given level of [the absent parents] income."

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This was pioneering work. Although many policy makers deplored the heavy taxpayer burden imposed by AFDC, few had given serious thought to the financial responsibilities of absent parents. Like other states, Wisconsin had left such matters largely to family court judges and magistrates, who set support contributions on a case-by-case basis.

The result nationwide was a patchwork pattern of court-mandated awards that tended overall to shortchange mothers and children while letting many fathers off the hook. Garfinkel would later estimate (and the most recent census data confirms) that fewer than half of the nine million single-parent families eligible for paternal assistance were actually awarded such help, and in a majority of those court-ordered settlements the absent fathers failed to deliver, either in whole or in part. The shortfall between contributions ordered by judges and contributions made by fathers came to about \$4 billion a year. Here was a statistic to conjure with. It seemed to reflect both a problem and a possible solution.

Cassetty eventually went to Texas, but her dissertation had planted seeds in Wisconsin that were soon to sprout. Garfinkel, whose primary interests had been in welfare and income maintenance policy, now began to think systematically about issues pertaining to child support. In the best tradition of "The Wisconsin Idea," he consulted widely with fellow academicians as well as with state legislators, judges, and welfare officials.

The plan they ultimately brought forth went considerably beyond Cassetty's early recommendations. Not only did it set uniform standards of child support to be provided by noncustodial parents, it postulated a wage-withholding device similar to that used by Social Security and the Internal Revenue Service. The idea, of course, was to increase collections.

The standards that Garfinkel proposed, and the state finally adopted, were far more generous to children than those reflected in past court settlements. In 1983, for example, child-support payments nationwide accounted for only 13 percent of absent parental income. CSAS was suggesting a 17 percent contribution for support of one child, with the share to increase with each additional offspring, peaking at 34 percent for five or more children.

In addition, but somewhat further down the road. Garfinkel and his associares foresaw a rime when every child would be guaranteed a minimum level of support—perhaps as much as \$3,000 a year—to be supplied either by the parents or, that failing, by the government. Their vision of the future included a relaxation of AFDC rules. The extra money that families on welfare might collect from absent fathers would not have to be recycled into the AFDC pot (as federal law now stipulates); rather, it could be returned to general revenues and then used to finance guaranteed benefits to the children.

Some of those skeletal dreams began to take on flesh in 1983, when Wisconsin's Department of Health and Social Services (DHSS) published child-support standards based on the absent parent's income. The following year, a new state measure induced ten "pilot" counties to start withholding child-support payments from wages of all new "obligors."

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address problems in a coordinated way. A national committee of experts in state and local affairs, chaired by former Michigan Governor William G. Milliken, made the final selections.

At an awards ceremony at the Ford Foundation in September, Franklin A. Thomas, president of the Foundation, said, "Again this year we have been struck by the recipients' imaginative responses to some of society's toughest issues. One of the lessons they hold for other cities and states is the value of relatively inexpensive preventive programs—an ounce-of-prevention approach rather than costly after-the-fact damage control."

Following are the 1987 award recipients:

Areata, California, A model system developed by the city's engineers uses the natural cleaning qualities of the area's wetlands to treat waste water. At the same time, the nutrients in the waste water have helped revive the marshes and attracted more wildlife. The grant will fund an information and display center that will accommodate some 150,000 visitors annually.

State of Georgia. Faced with a federal mandate to reduce severe prison overcrowding, the state's Department of Corrections has developed alternatives to incarceration that include varying degrees of probationary supervision, from reporting monthly to a probation officer to constant surveillance in a "diversion center." The program has cut the number of imprisoned felons by 10 percent, thereby saving the state more than \$150 million. The grant will support production of films, videotapes, and publications on the program, as well as specialized training for staff.

State of Illinois. "Parents Too Soon" is the nation's first coordinated statewide approach to the complex problem of teenage pregnancy and parenthood. State agencies work closely with public and private local organizations to provide pregnant teenagers and young mothers with counseling and comprehensive health, social, and educational services. The initiative has resulted in an 18 percent decline in Illinois' teen birth rate. The grant will fund expanded efforts to involve young men in pregnancy-prevention programs and the dissemination of information on the state's new child-support enforcement law.

Duluth, Minnesota, Under the Domestic Abuse Intervention Program, Duluth police treat abusers in violent domestic quarrels as criminals. A combination of arrests, prosecutions, and counseling for both abuser and victim has proved effective in deterring repeat offenses. The grant will be used to expand the program in Duluth and to provide technical assistance to other communities seeking solutions to domestic abuse.

St. Louis, Missouri. A centralized intake center of the Homeless Services Network offers a comprehensive array of services that are funded by the city

and provided by private agencies under contract. This public-private coalition succeeded in providing emergency shelter to nearly all of the city's estimated 10,000 homeless last year. Foundation funds will support a pilot project to reach families at risk of becoming homeless.

State of Missouri. The Parents as Teachers Program, created by the state's Department of Elementary and Secondary Education, guides parents
through their children's first three years by means of
home visits by trained parent educators and group
meetings with other parents. The program, available in all of the state's 543 public school districts,
helps parents learn how to foster their children's
healthy development and spot learning problems or
other disabilities. The award will support research
on the program's effects on school children, expansion of training, and assistance to other jurisdictions
in adopting the program.

New York City. The Nova Ancora (New Anchor) Project was created by the city's Department of Probation to help ex-felons on probation find jobs in private businesses. In exchange for hiring and training the probationers, companies are offered tax credits, training allowances, low-interest business loans, and information about low-cost space for expansion. The award will help Nova Ancora increase the number of companies participating in the program and provide clients with money for carfare, application fees, and other small expenses.

State of North Carolina. Open/Net, a project of the state's Agency for Public Telecommunications, aims to bring government closer to the people through participatory television. Prime-time programs covering state events are followed by telephone call-in sessions in which state officials answer questions on topics such as health, economics, education, and the environment. The Foundation grant will be used to purchase new production equipment.

Dallas, Texas. The city's Department of Parks and Recreation has expanded its services to make them more accessible to a wide range of people. It sponsors an aquatics program for the disabled, an international children's art exchange for U.S. and Mexican youngsters, and a twenty-four-hour recreation center that offers after-dark volleyball and softball, aerobics, and picnicking. The grant will help create a perpetual fund that will provide awards honoring innovative ideas by Parks Department employees.

Fort Worth, Texas. To spot pollution in runoff from the city's storm drains. Fort Worth's Health Department places minnows in perforated milk cartons and floats them in storm sewers for a day or two. If the fish die, storm drain tunnels are investigated for illegally discharged contaminants. Routine on-site testing, helicopter surveillance, and citizen observers also monitor the quality of drinking water and swimming and fishing areas. The grant will be used to produce a videotape about the program and to buy new equipment.

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The reforms at first met opposition from family court judges and social workers, some of whom resented the loss of their accustomed discretionary powers. The state Bar Association also voiced misgivings. Many of its members, after all, earned fees representing fathers in settlement disputes. All things considered, however, the new system won surprisingly swift acceptance, and by 1987 both the standards and the payroll deductions were in use throughout the state.

More study, however, appears inevitable. Lots of questions remain. Are the standards just? Can they be effectively enforced? Will payroll deductions appreciably increase collections, and can they be used to reduce AFDC dependency? So far, the answers have been promising

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but inconclusive. An "interim report" by Garfinkel, published last year by the Institute for Research on Poverty, suggests that the new system does increase both the amounts of the awards and the rate of compliance. Mothers and children, he estimates, appear to be getting as much as 25 percent more support from the absent parent under the new rules. \*

The biggest question confronting the Wisconsin program is whether it will have an effect on the long-term poorthose on AFDC for five years and more. Will they stay with the current system, which has a higher level of benefits but where their earnings are in effect taxed by reduced welfare benefits, or will they opt for the new system where the benefits are lower but where their earnings are untaxed? And no one knows how many disadvantaged fathers, who may have a tenuous connection to the labor market. will choose to vanish into an underground, all-cash economy, where their wages cannot be touched.

Others have expressed reservations

about the extra paperwork that payroll deductions impose on employers. As Ralph Guerin, a family court magistrate in Madison, has noted, "In a low-wage situation the employer might fire the father, or else not hire him in the first place, just to avoid the additional red tape."

Certain objections appear to have wider implications. In a memorandum to Senator Movnihan, Robert Reischauer of Brookings speculated about "unintended repercussions" that could arise from more liberal child-support standards and stricter collection methods. Among other things, he sees the possibility of "more court battles between fathers and mothers over child custody," and "more pressure . . . exerted on women, particularly unmarried women, to have abortions." In addition, Reischauer worries about the "second marriages of noncustodial parents," fearing "they could be disrupted by the financial strain associated with higher child-support payments."

It is probably too early to sort out these concerns. The most that can be said to date is that the Wisconsin experiment appears to provide a better balance among the competing demands that a welfare system must struggle with than the current system does. Its most attractive feature may well be that it treats all single parents with children alike: the poor become part of the same childsupport system available to the middle class.

All of which has encouraged state officials to push ahead with CSAS's master plan, albeit in a gingerly fashion. In August the state completed the paperwork for the federal government that will allow at least two counties to slip through the horns of AFDC's classic dilemma. Instead of reducing a family's public support in proportion to the additional income it received from the absent father, the counties will be free to switch to a guaranteed benefit program for the children. It is not clear, however, what forms those benefits will take or how much they will cost. Such issues, along with the selection of two demonstration counties, are still being debated. In Madison as in Washington, welfare change does not occur overnight.

-RICHARD J. MARGOLIS

NEWCOMERS continued from p. 4

teractions among teachers, students, and parents in schools, and among owners, employees, and customers in local businesses.

Center for Urban Affairs and Policy Research (Northwestern University), to study six ethnic groups in the Albany Park community on the northwest side of Chicago: newly arrived Poles, Koreans, and Laotians, and longer-established Polish Americans, Jews, and blacks. Researchers will videotape the different groups as they interact in public spaces, community institutions, and households. Community rituals will be recorded, and residents will be encouraged to record themselves in informal settings. The study will also examine the problems encountered by social service agencies trying to serve newcomer populations that are geographically dispersed.

Far West Laboratory for Educational Research and Development, to describe interactions between new Chinese immigrants and established Chinese Americans, Italian Americans, and blacks in the North Beach-Chinatown area of San Francisco. Researchers will also look at how residents compete for scarce resources, such as housing and jobs; as individuals without strong racial or ethnic identification, or within groups which reinforce that identification.

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#### OTHER GRANTS

- ► Government of Egypt (for Environmental Quality International), \$75,000, for training in solid waste management and small enterprise development for the zahbaleen. Cairo's traditional garbage collectors (see Letter, October 1987, p. 2).
- ► Watts Labor Community Action Committee (Los Angeles), \$3 million over five years, and \$450,000 two-year supplement, for establishment of a permanent fund to support activities in employment, housing, commercial and business development, and social service programs in south central Los Angeles, Also, \$1 million supplement each to Bedford Stuvyesant Restoration Corporation (Brooklyn, N.Y.) and the Mississippi Action for Community Education Fund, for their permanent funds.
- Boston Foundation, \$1.5 million over six years, for a collaborative effort by Boston funders. and agencies to strengthen the capacity of neighborhood development corporations to provide lowcost housing. Collaborative activities will include helping local groups develop better financial and management systems, increasing community participation, and improving services to tenants.

- ▶ Community Development Corporation of Boston, \$884,000 program-related investment, and \$50,000 grant, to help finance the renovation of a vacant manufacturing building in the city's Roxbury
- ► Hub Co-ventures for Women's Enterprise (New York), \$50,000, to promote self-employment opportunities for minority and low-income women in four communities.
- National Association of Community Development Loan Funds (Greenfield, Mass.). \$25,000, for information sharing about new sources
- National Congress for Community Economic Development (Washington, D.C.). \$32,000, for publication and distribution of the report of the Task Force on Community-Based Development.
- ▶ National Temple Nonprofit Corporation of Philadelphia, \$750,000 program-related investment and \$100,000 grant over one year, to establish a fund to help finance the restoration and conversion of two historic buildings in north central Philadelphia into apartments for low-income families.
- New School for Social Research (New) York), \$603,000 over two years, to establish the Center for the Study of Community-Based Development, which will conduct research on the revitalization of low-income communities.
- ► United Way of America (Alexandria, Va.). \$1.5 million over two years, to support the work of community development corporations in creating and managing low-cost housing in five cities, to double employee and corporate contributions to United Way, and to help local United Way chapters improve delivery of social services.
- ▶ Urban Affairs Partnership (Philadelphia). \$150,000 over one year, and Philadelphia Fund for Community Development, \$350,000 over one year, for technical assistance and financing to help community development corporations undertake projects, provide social services, and increase public and private investments in low-income
- Urban Initiatives (Stamford, Conn.). \$292,000 one-year grant, and program-related investments of \$1.5 million to the Local Initiatives Support Corp. (New York), and \$500,000 to the Enterprise Foundation, for a four-state demonstration that combines emergency housing for homeless families with renovation of apartments to provide permanent low-income housing.

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- ▶ Cornell University, \$25,000, for a study of how social service workers help families on welfare achieve self-sufficiency.
- Harvard University, \$20,000, for the Harvard. Family Research Project, which includes studies of school-based family support programs.
- Missouri Department of Elementary and Secondary Education, \$50,000, for the Parents as Teachers Project, a program to promote the development of infants and preschoolers through home. visits and group meetings for parents (see also p. 9).
- Northwestern University, \$38,000, for a study by Christopher lencks of economic hardship. in the United States, taking into account both cash