

CHAPTER 3

## “Laboratories of Democracy” or Symbolic Politics?

### *The Racial Origins of Welfare Reform*

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In August 1996, President Clinton signed into law the Personal Responsibility Work Reconciliation Act (PRWORA), the most comprehensive and far-reaching collection of public assistance reforms seen in decades. While the legislation affected a number of federal programs, much of the discussion surrounding this legislation has been focused on the Aid to Families with Dependent Children (AFDC) program, the primary source of assistance for poor children and their parents at the time the legislation was passed. This attention is well justified. As is well known, PRWORA terminated AFDC, replacing it with the Temporary Assistance for Needy Families (TANF) program. Unlike its predecessor, the TANF program no longer represents a federal entitlement, leaving states wide discretion in determining eligibility. Although the federal government still shares the cost of the program with the states, a number of other changes have been implemented. The most important of these changes have included time limits on the receipt of aid, work requirements for able-bodied adult recipients, and a host of other requirements designed to force welfare recipients to act more “responsibly” while receiving aid.<sup>1</sup> Overall, PRWORA clearly represents a more punitive and restrictive approach to public assistance.

As sweeping as this legislation was, it was not unexpected. Indeed,

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upon achieving a majority in Congress in 1994, national Republican leaders placed it high on their list of legislative priorities. In addition, national Democratic leaders, and especially President Clinton, seemed to agree that drastic welfare reform was needed. Most importantly, however, state governments wanted reform. The most direct evidence of this fact can be seen by an examination of AFDC waivers received by state governments in the years immediately preceding PRWORA.<sup>2</sup> Between 1992 and 1996, state governments were granted a total of 171 waivers designed to affect the behavior of AFDC recipients in some way.<sup>3</sup> Thus, by 1996 comprehensive welfare reform was not only anticipated by observers, but to a significant degree had already been achieved.

In contrast to the relative unanimity of opinion surrounding the inevitability of welfare reform, there appears to be much less agreement concerning theoretical explanations to account for it. Many accounts of welfare policy-making in the 1990s have described the welfare reform movement as a creative attempt by government to address the shortcomings of the public assistance system of the Great Society, and in particular the AFDC program. According to this perspective, most important among these shortcomings were disincentives, which over time have contributed to a relatively permanent urban underclass characterized by welfare dependency, unemployment, and a general deterioration of moral and social responsibility (e.g., Murray 1984; Mead 1992). By the 1990s, these alleged consequences had led to widespread dissatisfaction with public assistance programs, sparking the welfare reform movement. Viewed in this light, welfare reform has often been characterized as “policy innovation,” while state level reforms made possible by AFDC waivers have similarly been described as state “experimentation.” Though states have taken different approaches to welfare reform, this perspective sees innovating states acting as “policy laboratories,” with the common purpose of improving both the effectiveness and the efficiency of welfare.

Many critics of welfare reform argue that it is not welfare or the poor, but deteriorating urban environments that have led to the problems cited by many who have called for restrictive welfare reform. This being the case, it has often been alleged that the “problems” with welfare have been socially constructed and that welfare reform has instead been driven by other factors. Although a number of alternative explanations have been offered, social scientists and commentators alike have increasingly cited the importance of racial stereotypes and the so-called racialization of poverty as at least partly responsible for the success of welfare reform

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(e.g. Brown 1999; Gilens 1999; Handler 1995; Noble 1997). If true, this claim has enormous implications, not only for contemporary policy-making, but for theories of democratic governance as well.

Although many studies have addressed the relationship between race and welfare policy, a number of questions remain unresolved. Individual-level (survey-based) studies have consistently found a relationship between racial stereotypes and welfare attitudes, yet these findings do not necessarily imply that stereotypes actually affect public policy outcomes. Aggregate-level studies, on the other hand, have consistently found a significant relationship between the racial context in a state and welfare *benefit levels*, but this research fails to demonstrate if and how racial attitudes are related to racial context, or if racial context is related to welfare *reform*, which largely affects eligibility requirements.

In this chapter, I attempt to shed more light on these questions. In the first section, I review the history of the AFDC program and welfare reform efforts that preceded the passage of PRWORA. I then examine the social science literature that has addressed the relationship between race and welfare policy, arguing that relatively little evidence exists that directly links racial attitudes to welfare reform policies. In the third and fourth sections I provide some evidence that such a link does in fact exist by showing that (1) welfare reform efforts in the early 1990s were strongly related to the racial context in a state, and (2) that the racial context in a state is related to white stereotypes of African Americans. In the conclusion, I discuss the implications of this analysis for state policy research and the future of welfare reform.

Ending Welfare as We Knew It: A Recent History of  
Welfare Reform

*Johnson's War on Poverty and the Expansion of AFDC*

Throughout much of the history of the AFDC program, and at least through the late 1960s and early 1970s, efforts to reform AFDC often had the effect of expanding both the scope of coverage and the generosity of the program. When it was first implemented as part of the Social Security Act in 1936, the program (then known as Aid to Dependent Children, or ADC) provided benefits for poor *children* deprived of “parental support.” As states were given broad powers to determine the definition of “support” and hence eligibility, receipt of aid was often denied to children if their mother was thought to be involved with a man, especially if

a man was living in the house (Day 1997). In addition, many states denied assistance to children if they were the product of out-of-wedlock births or divorced parents, as these conditions were considered immoral (Katz 1996). Finally, ADC rolls were kept low due to the denial of assistance to African Americans by many states, especially in the South (Quadagno 1994).

By the early 1970s, the AFDC program had changed dramatically. In 1950, the program was expanded to include the adult caretaker, and in 1962 the name of the program was changed from ADC to AFDC to emphasize the family unit. The most significant period of expansion, however, occurred during the 1960s. Due to a number of social and political forces, including the acquisition of political power by African Americans, the massive waves of urban political violence, the welfare rights movement, and the liberal mood of the 1960s (Katz 1996; Fording 1997; Piven and Cloward 1971), AFDC benefits and caseloads reached unprecedented levels by the early 1970s. Between 1960 and 1974, the AFDC caseload more than tripled (Fording 1997). This dramatic increase was facilitated by a number of program reforms including the abolition of residency requirements, the elimination of “man in the house” and “suitable home” rules in determining eligibility, the eligibility of two-parent households, and the shifting of eligibility decisions from caseworkers to welfare bureaucrats who followed strict (and objective) application procedures. In addition, due to increases in AFDC benefit levels and the expansion of the food stamp and Medicaid programs (for which AFDC recipients were automatically eligible), the total value of benefits received by AFDC recipients rose dramatically as well.

### *The War on Welfare*

As early as the mid-1960s, rising caseloads and benefit levels began to spark criticisms that the public assistance system, and especially AFDC, created work disincentives. In 1967, Congress addressed this concern by passing the first significant program designed to put AFDC recipients to work. Signed into law by Lyndon Johnson, the Work Incentive Program (WIN) sought to make the receipt of welfare contingent upon participation in some type of work-related activity. WIN required all qualified adult recipients to register and be referred to state agencies for training and employment services. Despite the promise of day care, upon implementation WIN proved to be a failure. Due in part to the large amount of discretion afforded local officials in granting exemptions, by 1971 only

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24 percent of all WIN employment assessments were deemed “appropriate for referral,” and only 118,000 adults were enrolled. Only 2 to 3 percent of the eligible recipients obtained jobs through WIN (Handler 1995).

In 1971, Congress passed tougher legislation, known as WIN II, which differed from its predecessor in that it placed more emphasis on immediate job placement. Though sanctions were strengthened and participation criteria liberalized, WIN II also proved to be less than effective at achieving its goals. The program did register more recipients, but by the end of the decade the total number registered still represented only 40 percent of AFDC recipients. Of those registered, only about half actually participated, and of those who participated only about 25 percent found jobs. Subsequent studies revealed that the vast majority of the participants who found jobs did so on their own, suggesting that “under the best scenario, WIN II removed less than 2% of the AFDC recipients from the rolls and reduced grants by an additional 2%” (Handler 1995, 60).

As Ronald Reagan began his first year in office in 1981, the welfare issue had reached the “crisis” level, sparking even tougher approaches to welfare reform. The “war on welfare,” as Michael Katz has called it, continued to follow a two-pronged strategy. The first strategy, which had actually begun during the 1970s, consisted of benefit reductions for public assistance programs. AFDC was hit hardest, as maximum benefit levels decreased in real terms between 1981 and 1990. This was usually accomplished not by actual benefit cuts, but rather by states letting inflation take its toll. Efforts to reduce the attractiveness of welfare through program reforms at the national level also increased throughout the 1980s. Due to 1981 legislation crafted by the Reagan administration, the earnings disregard for AFDC recipients was drastically reduced, effectively reducing the income and eligibility of many AFDC recipients.

As an alternative strategy to reduce AFDC caseloads, the Reagan administration encouraged states to craft their own reforms through WIN demonstration projects permitted by 1981 legislation. Some of the more “successful” state initiatives were ultimately used as models in constructing the Job Opportunities and Basic Skills Training Program (JOBS), which took the place of WIN II in 1990. The last significant national-level attempt at welfare reform prior to PRWORA, JOBS differed from WIN II in its emphasis on education and training in addition to job search and placement. Like its predecessors, however, JOBS fell short of expectations, and by the early 1990s record increases in AFDC recipient rates had sparked a movement toward fundamental and comprehensive welfare reform.

*The Proliferation of AFDC Waivers and State Welfare Reform*

In 1962, amendments to the Social Security Act permitted states to obtain waivers, or exemptions from federal regulations in the implementation of AFDC. For many years, this provision was used to allow states to experiment with different methods of administering AFDC, and was not anticipated to be a means by which states could gain more control over eligibility decisions. Consequently, few states initially sought waivers, and less than a dozen significant exemptions were granted by 1977 (Hanson and Heaney 1997).

By the 1980s, due in large part to the encouragement of Ronald Reagan, a few states began to use waivers to implement their own brand of welfare reform, usually as pilot projects in just a handful of counties. Although states varied in their approaches to welfare reform, many of these “experiments” allowed states to implement tougher work requirements than allowed under WIN II. It was during this period in 1986 that Wisconsin, led by newly elected governor Tommy Thompson, became a leader in the reform movement. Under Thompson’s leadership, Wisconsin obtained waivers for important programmatic changes, including new definitions of eligibility for AFDC.

The use of waivers by states increased significantly in 1992 after President Bush made the use of waivers an important part of his welfare reform agenda. After inviting states to apply for waivers in his State of the Union address, the Bush administration subsequently approved 13 waiver requests for ten states in 1992 (Hanson and Heaney 1997). The emphasis on waivers as a means to reform was continued by President Clinton in 1993. The Clinton administration further encouraged waiver applications by relaxing the cost neutrality rule imposed by the Reagan and Bush administrations, and in 1995, Clinton announced the use of a fast-track review process that encouraged even more applications. The impact was nothing short of a revolution in welfare policy. By the end of 1996, a total of 400 waivers had been requested by states (Hanson and Heaney 1997), and nearly all states were implementing their own brand of welfare reform to varying degrees. These waivers allowed states much greater flexibility in determining eligibility, and included reforms designed to encourage or require work, promote “responsibility,” and in many cases to end welfare receipt altogether by imposing time limits. Many of these reforms adopted as state demonstration projects were included as mandatory requirements (or in some cases state options) in PRWORA.

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Race and Welfare Reform: Assessing the Evidence

*The Literature*

Three bodies of literature address the relationship between race and welfare. Historical accounts of welfare policy-making clearly indicate that race was one of the primary influences in the construction of the U.S. welfare state during the passage of the New Deal (e.g. Brown 1999; Lieberman 1995b; Quadagno 1994). Southern congressmen were instrumental in excluding the vast majority of African Americans from Social Security coverage by excluding agricultural and domestic workers. This left poor African Americans with only Aid to Dependent Children and state and local General Assistance programs from which to seek relief, programs where state and local officials had almost complete discretion in making eligibility decisions. Though the politics and the administration of the AFDC program eventually evolved past such overt forms of discrimination, many social scientists have argued that the legacy of racial prejudice is one of the primary reasons why the U.S. welfare state is underdeveloped compared to other industrialized democracies.

Exactly how racial attitudes influence welfare policy today is addressed by a much different literature. An emerging body of evidence, based on survey and experimental research, has found a strong link between white attitudes concerning blacks and welfare. Several studies have demonstrated that white attitudes toward welfare policy are strongly related to white stereotypes of blacks (Gilens 1996a, 1999; Nelson 1999; Peffley, Hurwitz, and Sniderman 1997; Peffley and Hurwitz 1998). This research suggests that the most important stereotype is the belief that blacks lack a strong work ethic. In addition, survey experiments consistently find that the effects of stereotypes on welfare attitudes are stronger when respondents believe that the targets of the policy are black rather than white (Gilens 1996a; Peffley, Hurwitz, and Sniderman 1997). Thus, due to the “racialization” of poverty in the minds of whites (Gilens 1999; Kellstedt 1997), despite a decline in racial prejudice over the years, white attitudes toward blacks continue to have a significant impact on attitudes toward welfare today.

Finally, a third set of studies suggests that race is an important factor in welfare *policy-making*. Using state-level data, several studies have found AFDC benefits to be influenced by the racial context in a state. For example, even after controlling for several demographic and economic variables, Orr (1976) found AFDC benefits to be negatively related to the

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percentage of the AFDC caseload that is black. These findings have been supported by subsequent studies, even after controlling for partisan and ideological differences across states (Hero 1998; Howard 1999; Plotnick and Winters 1985). Other studies have examined the effect of the racial composition of the state population, finding similar results (Brown 1995; Wright 1976). Thus, as Gilens (1999) concludes, analyses of state welfare policy “that have included some measure of the racial mix of a state’s poverty population have consistently found race to be a significant influence on state AFDC policy” (176).

*Assessing the Evidence*

All three types of studies—historical, individual-level, and state-level—provide important insights into the relationship between race and welfare. Although the historical research certainly contributes to our understanding of the role of race in the development and structure of the American welfare state, important policy and attitudinal changes over the last four decades prevent us from simply assuming that racial attitudes continue to play a role in contemporary policy-making. Thus, judgments concerning the relationship between race and welfare reform would seem to hinge on the evidence provided by the individual- and state-level studies.

The individual-level studies provide strong evidence that racial stereotypes are related to welfare attitudes, even as late as the 1990s. Yet despite the strength and consistency of this finding, it does not tell us much about the relationship between racial attitudes and welfare *policy outcomes*. Though we should expect public opinion to be related to public policy in a democracy in the long term, there are a number of reasons why this relationship may not hold in each and every case. Interest groups, electoral pressures, low voter turnout or strong-willed elected officials may all serve to weaken the linkage between mass opinion and policy for a particular policy issue. Given the important implications of a possible relationship between racial attitudes and welfare reform, the individual-level results can only be considered suggestive.

The state-level studies would seem to provide the connection to policy outcomes that the individual-level studies fail to offer. Upon closer examination, however, the state-level studies are limited as well, especially if one is interested in the relationship between race and welfare *reform*. The most fundamental issue concerns the fact that nearly all of these studies have relied on AFDC benefit data as the dependent vari-



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able.<sup>4</sup> The use of such data presents two related problems if we wish to extend these results to contemporary policy-making and welfare reform. First, AFDC benefit levels have been relatively stable throughout the recent history of the program, and therefore values for any given year are highly correlated with values from much earlier time periods. For example, the simple correlation between the AFDC maximum benefit level (for a family of four) in 1990 and the same variable in 1970 is .79.<sup>5</sup> This means that cross-sectional variation in benefits in 1990 still reflects the causal forces that were operating during earlier decades. As the racial context across states has not changed much since 1970, it is therefore difficult to determine from these studies if a relationship between race and welfare reflects contemporary or past racial attitudes.

A second, and perhaps more fundamental problem with studies using AFDC benefit data is that there is no compelling reason to believe that AFDC benefit levels are related to state welfare reform initiatives. Indeed, the simple correlation between the number of AFDC waivers adopted by a state and the AFDC benefit level in that state is close to 0 (.08,  $p = .54$ ), suggesting that states with low benefits were just as likely to pursue welfare reform as states with high benefits.<sup>6</sup> Thus, even if we accepted the results of past empirical studies of the relationship between racial context and welfare policy, we have little reason to believe that the findings from these analyses can be generalized to welfare reform.

Even if we were to ignore the focus on benefits, however, the state-level studies are limited due to their lack of attention to the causal mechanisms linking the racial context in a state, which is most always used as the relevant independent variable representing a “race effect,” to welfare policy. In most cases, the effect of racial context is somewhat ambiguously attributed to racial attitudes or prejudice, and the racial composition of the AFDC caseload (or simply the percentage of the population that is black) is used as a surrogate for “perceptions of recipients’ deservingness” (Plotnick and Winters 1985, 466) or similarly, “the potential effects of a population’s attitude toward welfare recipients” (Brown 1995, 29). Thus, the underlying assumption made by these studies would appear to be that as the percentage of the caseload that is black increases, due to racial prejudice or stereotypes white opposition to generous welfare policies increases as an increasing share of benefits is distributed to the black poor. For the most part, this rationale for including state racial context remains an empirical question that has rarely been addressed.<sup>7</sup>

In summary, despite a large and diverse literature on the relationship between race and welfare policy, this literature is of somewhat limited

use in evaluating the effect of race and racial attitudes on welfare reform. Though individual-level studies find a strong link between racial stereotypes and welfare attitudes, this research is only suggestive in that it does not explicitly link these attitudes to policy outputs. The state-level studies do examine policy outputs, but they are equally limited in that nearly all have failed to examine welfare reform initiatives. In addition, state-level studies fail to adequately conceptualize the possible relationships between racial context, racial attitudes, and welfare policy. These issues are addressed in a series of analyses below.

### Racial Context and Welfare Reform Initiatives in the States

As a first step in investigating the relationship between race and welfare reform, I examine the relationship between the racial context in a state—as measured by the percentage of AFDC families headed by an African American (*%AFDC black*)—and state AFDC waiver adoptions. While PRWORA was ultimately crafted and passed by national policymakers, as I detailed above, the impetus for reform originated from the states in the form of AFDC waiver adoptions. Given this fact, to examine the relationship between race and welfare reform, I examine patterns of adoption of three categories of AFDC waivers across states.

The first category of waivers sought to encourage welfare recipients to work through various work requirements. A second category of waivers attempted to instill a sense of moral, social, and parental responsibility among AFDC recipients and included such noted reforms as the family cap, school attendance requirements, strict child support enforcement, and teen parent supervision, among others. Finally, a third category of waivers reflected the most punitive of reforms—time limits on assistance.<sup>8</sup> Together, these reforms represent the restrictive nature of welfare reform, and many are now required of all states in administration of the TANF program.

The time period for the analysis is 1992–96. Although some states did receive waivers prior to 1992, these waivers were almost exclusively work related, and many were not implemented statewide. Most importantly, however, standards for approval were significantly loosened by President Bush in 1992, and even more so by President Clinton through 1996. This opened the floodgates for waiver requests along a variety of dimensions of reform, providing the momentum that ultimately resulted in the passage of PRWORA.

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*Additional Explanations for State Waiver Adoptions*

In addition to the racial composition of the welfare caseload, welfare reform was undoubtedly spurred and facilitated by various additional forces, and it is critical to control for these potential alternative influences if we are to isolate the true effect of racial context. The sources of these explanations span both popular and academic literatures and include such factors as African American political mobilization, ideological and partisan forces, the alleged poor performance of traditional public assistance programs, state fiscal pressures, the “devolution revolution,” and the effects of state labor markets. Each of these alternative explanations is briefly discussed in turn below.<sup>9</sup>

*Race and representation.* Most of the research on state welfare policy has assumed that racial context influences welfare policy solely through its effect on white attitudes. The ultimate impact of race on welfare, however, is likely more complex than past studies reflect. In addition to its effect through racial attitudes, there is good reason to suspect that state racial context may also affect welfare policy through its relationship with black political power. Keech (1968) was among the first to recognize these two paths through which racial context might affect public policy in his study of black political power after the passage of the Voting Rights Act of 1965. Based on his findings, Keech concluded that policy responsiveness to blacks is ultimately a function of white hostility to blacks *and* black political power, both of which he claimed were positively related to black population size. Since Keech’s initial work, several studies have found at least some evidence that areas with large black populations may in fact elicit greater levels of responsiveness to black interests (e.g. Bullock 1981; Button 1989; Hero 1998).

Although much of this research has examined policies with clear racial implications, there is good reason to believe that black political power may have a similar influence on state welfare policy. Since the New Deal, welfare policy has consistently been a high priority of mainstream civil rights organizations (Hamilton and Hamilton 1997). In addition, a handful of studies have found black representation to be positively related to various indicators of welfare generosity, including AFDC benefit levels (Mueller and Kreueger 2001), AFDC recipient rates (Fording 1997, 2001), and roll call votes concerning redistributive policies in state legislatures (Herring 1990). Consistent with this reasoning, I examine the effect of black political power on state welfare reform initiatives.

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Although black political power could potentially be operationalized in a number of ways, I examine its impact through the level of African American political representation (*African American representation*), which I measure as the percentage of all state elected officials that are black.

*Ineffective public assistance programs.* By the 1990s the rhetoric of both Democrats and Republicans had come to reflect a belief that AFDC was ineffective, and that the program actually exacerbated poverty by providing work disincentives and by promoting a generally irresponsible lifestyle. Perhaps the most common complaints about the performance of AFDC along these lines have been that (1) AFDC discourages work and therefore leads to “welfare dependency”; and (2) AFDC encourages out-of-wedlock births. To capture these potential influences on state reform efforts, I include two variables in the analysis. *AFDC dependency* is defined as the percentage of AFDC families that have been receiving AFDC for more than four years. *Out-of-wedlock births* is defined as the percentage of all births to single teen mothers in a state. Both variables are hypothesized to be positively related to AFDC waiver adoptions.

*The cost of public assistance.* A second source of motivation for welfare reform, it is alleged, has been the high costs of the public assistance system due to the expansion of the AFDC rolls in the late 1960s and 1970s. I account for state fiscal pressures in two ways. First, I include the variable *AFDC recipient rate*, which is defined as the number of AFDC families per 1,000 state population, and which is expected to be positively related to state waiver adoptions.<sup>10</sup> I also account for more general state fiscal pressures by including *State revenue*, a variable measuring per capita state revenues, adjusted for cost of living differences both over time and across states using the state deflator constructed by Berry, Fording, and Hanson (2002).

*Welfare reform as policy innovation.* Many studies of state policy innovation have found that larger states (measured by population) are more likely to innovate due to the greater availability of “slack resources” to devote to innovation (Gray 1994). Accordingly, I include *State population*, measured as total state population (in millions), as a measure of a state’s propensity for policy innovation. In addition, we might expect that recent reform efforts in a state are related to past efforts at welfare policy innovation. In other words, we might expect that certain states are inherently more concerned about welfare and over time tend to be con-

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sistently among the leaders in welfare innovation. This possibility is explored by including a measure of *Propensity for welfare innovation* constructed by Gray (1973). As this measure is based on the order in which states adopted welfare innovations, and thus smaller values mean a greater propensity for innovation, we would expect this variable to be negatively related to waiver adoptions.

*Ideological cleavages.* Popular accounts of welfare reform have observed that the welfare reform movement has been played out amid ideological and partisan cleavages that have traditionally been formed (in part) over issues related to the scope and generosity of the welfare state. To capture the impact of this traditional left-right ideology, I include *State liberalism*, a measure of citizen ideology developed by Berry et al. (1998), which is hypothesized to be negatively related to state waiver adoptions.

Some have argued that the welfare reform debate reflects conflicts over moral values, rather than traditional disputes concerning the size of government. Although debates over welfare have always been closely tied to “traditional” values, some have argued that this emphasis has increased in recent decades due to the mobilization of the Christian Right (Weaver 2000), and the responsiveness of the Republican party to their agenda. To capture the influence of moral conservatism, I therefore include *Protestant fundamentalism*, a variable measuring the percentage of a state’s population that belongs to a fundamentalist church.

*Political parties.* Many analysts have cited the political power of Republicans at the state level (especially Republican governors) as being an important force in spurring reform, particularly those reforms that are restrictive and punitive. To capture the effect of partisan forces I include *Republican governor*, a dummy variables measuring the presence of a Republican governor. I also include an interaction term—*Republican governor* × *Protestant fundamentalism*—to model the presumed dependence of Republicans on the Christian Right. Thus, while the presence of a Republican governor in a state is hypothesized to be positively related to punitive waiver adoptions, this effect is hypothesized to increase as the size of the Christian Right increases in a state.

In addition to partisan control, we might also expect that welfare reform is related to party competition (Key 1949; Lockard 1959). As it has been applied in the literature, the hypothesis predicts that in two-party, or competitive states, social welfare policies are likely to receive attention

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and support from political elites because “the process of competition between two organized and enduring political parties . . . forces the candidates and/or parties to appeal to the have-not groups for support” (Dawson and Robinson 1963, 283). I include a dynamic measure of *Party competition* based on the competitiveness of the most recent gubernatorial election and the margin of seats held by the majority parties in both chambers of the state legislature. This variable is hypothesized to be negatively related to restrictive waiver adoptions.

*Welfare reform and labor markets.* A number of different theorists have suggested that welfare reform efforts are in part designed to increase the competitiveness of low-wage labor markets, allowing businesses employing low-wage workers to keep labor costs low (Noble 1997; Piven and Cloward 1971). To the extent that this is the case, we might expect that in states where the relative number of businesses employing low-wage workers is high, *ceteris paribus*, the probability of waiver adoption is high as well. This influence is captured by including *Low-wage sector*, a variable measuring the number of retail trade sector jobs in a state (per 1,000 state residents). This occupational category includes workers in all types of retail and clerical jobs, most of which require few skills and are the most likely source of employment for welfare recipients.

*Additional explanatory variables.* We might expect that the probability of obtaining a waiver varies a function of the number of waivers already implemented by a state. This may be the case for at least two reasons. First, states that have successfully obtained waivers in the past may be more likely to apply for waivers in the future, as these states have already absorbed the costs of learning how to navigate through the waiver application process. Alternatively, the probability of applying for waivers may be a negative function of the number of past waivers. This might be expected if the number of possible reforms is considered to be relatively finite (within a particular waiver category), and therefore as states accumulate waivers they exhaust opportunities for reform. Given these possibilities, I include *Existing waivers*, which is measured as the cumulative number of waivers obtained by states in each category (beginning in 1992).

Finally, I include yearly dummy variables to account for the possibility that states became more inclined to obtain waivers as time passed due to both national diffusion processes and the fact that the Clinton administration encouraged state requests for waivers throughout the 1993–96 period by loosening administrative requirements.<sup>11</sup>

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*Estimation and Results*

Although the three types of waivers share certain important features, they seek to accomplish their objectives in very different ways. Consequently, separate analyses may reveal interesting differences in the effects of the independent variables (and especially racial context) across waiver categories. I estimate each model for the five-year period 1992–96. For each state, the dependent variable takes on a value of 1 for each year that a waiver is approved, while all other years take on a value of 0.<sup>12</sup> Given the binary nature of the dependent variable, I estimate the model using logit analysis. The results for these models are presented in table 3.1. Although the theoretical focus of this paper is on the various effects of race and racial politics, the results offer many interesting findings. In discussing the results, I therefore begin by summarizing the findings con-

**TABLE 3.1. Logit Estimates for State Waiver Adoption, by Waiver Category, 1992–96**

Independent Variables	Work Req's		Time Limits		Responsibility	
	Coeff.	SE	Coeff.	SE	Coeff.	SE
AFDC recipient rate	.092	.085	.019	.073	-.027	.067
AFDC dependency	-.005	.034	-.079	.035	-.003	.028
Out-of-wedlock births	-.086	.037	.028	.051	.005	.033
State population	-.012	.043	-.060	.069	.039	.047
Historical propensity for innovation	.002	.025	.022	.034	.013	.023
Republican governor	.056	.643	.901	.693	-.021	.564
Protestant fundamentalism	-.091*	.045	.017	.062	-.020	.033
Republican governor × Protestant fundamentalism	.136**	.044	-.023	.048	.071*	.033
Party competition	-.003	.026	.081*	.038	.014	.023
State ideology	.037	.026	.050	.029	.020	.024
%AFDC black	.036**	.013	.036**	.014	.041**	.014
Black representation	-.157*	.093	-.063	.108	-.221*	.097
Low-wage sector	.114**	.041	.118*	.050	.026	.035
State revenues	-.217	.228	-.777*	.447	-.388	.377
Existing waivers	-2.89**	.595	-2.68**	.818	-2.529**	.605
1993	.311	.811			-1.206	.872
1994	1.48*	.765	1.704*	.809	1.257*	.610
1995	3.230**	.820	3.527**	.887	1.956**	.699
1996	3.047**	.807	3.653**	.960	2.332**	.763
Constant	-8.70**	4.105	14.99**	6.809	-4.904	3.279
Log likelihood	-80.654		-64.763		-94.078	
Pseudo R <sup>2</sup>	.27		.30		.22	
N	245		245		245	

\**p* < .05, one-tailed      \*\**p* < .01, one-tailed

cerning the many hypotheses representing alternative explanations for welfare reform. I then turn my attention to the relationship between race and welfare.

Generally speaking, the results provide little support for the characterization of welfare reform as a response to the failures of the AFDC program. As is evident from the table, neither of the variables representing AFDC performance (*AFDC dependency*, *Out-of-wedlock births*) is significantly related to the adoption of waivers. Nor does waiver adoption appear to be related to variables measuring a state's general propensity for innovation (*State population*, *Historical propensity*). At the very least, this suggests that if welfare reform has indeed been driven by the motivation to "fix" AFDC, objective indicators of the problems cited by many proponents of welfare reform are uncorrelated with subjective perceptions.

In contrast to these results, several of the variables representing both political and economic explanations for welfare reform prove to be significant predictors of waiver adoptions. As for the effects of state political variables, Republican control of the executive appears to have been an important factor in state welfare reform efforts. As hypothesized, however, this relationship is only significant to the extent that the Christian Right has a strong presence in a state. This suggests that the battle over welfare reform has been to some extent a battle over moral values, and that the aggressiveness of the Republican party on this issue has perhaps been motivated by the mobilization of the Christian Right.

Moving to the effect of party competition on waiver adoptions, the results suggest that this variable did not have the anticipated negative effect. In fact, for the case of time limits, high levels of electoral competition actually served to increase the probability that states pursued welfare reform. While it is possible that the liberalizing effect of competition may be confounded by the presence of other forces that served to promote reform, these results suggest that there may be reason to question the liberalizing effect of competition in the context of welfare reform.

As for state economic conditions, the results provide some evidence that state fiscal pressures may have played a role in state reform efforts. This is evident by the fact that *State revenue* proves to be negatively related to the adoption of waivers imposing time limits. This finding is consistent with theory, as this is the category that is most punitive, and thus may be the most effective in reducing state costs. The effect of labor market demands is significant for both work requirements and time limits, and varies across waiver categories much as theory would predict.



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The effect is strongest for time limits, undoubtedly the least costly strategy for pushing welfare recipients into low-wage labor markets, while its effect is weakest (and statistically insignificant) for waivers requiring responsibility.

*The Impact of Race on Welfare Reform*

Although welfare reform seems to have been driven by various aspects of state political and economic environments, perhaps the strongest and most consistent finding in these results is the effect of race. For each of the three waiver categories, the racial composition of the AFDC caseload is positively and significantly related to waiver adoption. As the coefficients in table 3.1 are not substantively interpretable, we can easily evaluate the magnitude of this relationship by examining figure 3.1, which displays predicted probabilities for state waiver adoptions by the percentage of the AFDC caseload that is black (with all other variables set at their mean values). These results tell a very disturbing, yet familiar story. For work requirements and responsibility waivers, in states where the relative number of black AFDC families was the largest (70–90 percent), the probability of adopting a waiver was five to six times greater than that of states where the AFDC population was predominantly white. A similar pattern is observed for waivers imposing time limits, although the effect is weaker.

Though a state's racial context appears to have spurred welfare retrenchment in the 1990s through its relationship with the racial composition of the welfare caseload, it may have also offered blacks a political remedy in the form of black representation. Based on the results in table 3.1, this appears to have been the case to some extent, as the level of black representation is *negatively* related to waiver adoption for work requirements and responsibility waivers. This suggests that for these two types of waivers, black representation may have served to help balance the effect of racial stereotypes.

Racial Context and Welfare Attitudes

The results in the previous section find that the racial composition of the AFDC caseload served to increase the probability that a state would adopt a restrictive waiver during the early 1990s. Yet, as I have argued in the earlier sections of this chapter, while this evidence is suggestive, it is

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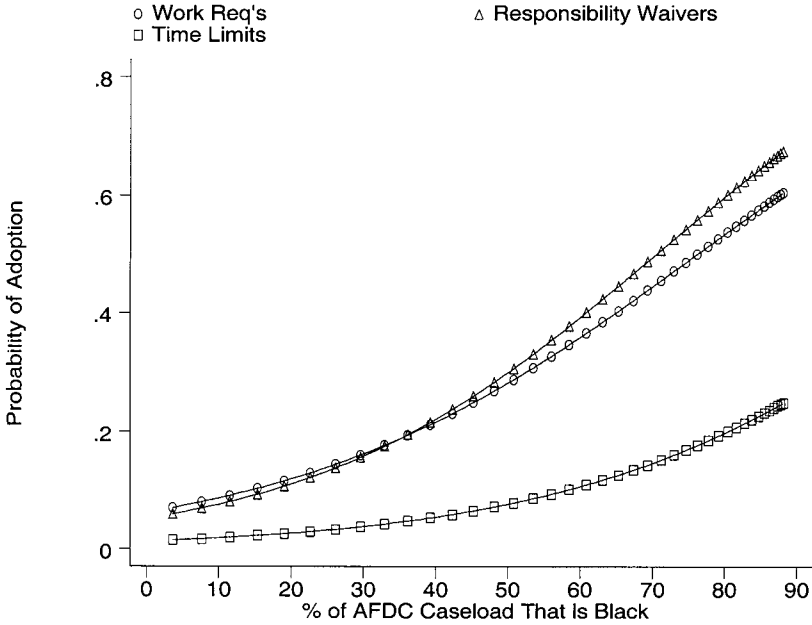


Fig. 3.1. Probability of waiver adoption, by racial composition of AFDC caseload

not exactly clear what this means about the effect of racial attitudes on welfare, and thus the relationship between race and welfare reform. On the one hand, these findings could in fact reflect the effect of white attitudes on policy outcomes. On the other hand, this finding could be spurious, meaning that the racial composition of the caseload is related to something else that has not been controlled for, and thus it is not white attitudes, but something else that is responsible for the observed effect. In either case, this suggests that further empirical analysis is necessary to provide some evidence that a state's racial context is in fact related to the relevant white attitudes concerning welfare.

At the individual level, several studies have found a strong relationship between racial attitudes and the degree to which welfare recipients are judged deserving (Gilens 1995, 1996a, 1999; Peffley, Hurwitz, and Sniderman 1997). Two specific types of racial variables appear to be most important. First, white perceptions of the work ethic among blacks are consistently found to be the most important predictors of welfare deservingness (Gilens 1995, 1999). Experimental studies, however, reveal that

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the effect of this racial stereotype is conditioned by a second variable—the race of the target (Peffley, Hurwitz, and Sniderman 1997; Gilens 1996a, 1999). For example, in the “welfare mother” experiment found in the 1991 National Race and Politics Survey (NRPS), whites were asked to make a number of judgments about a hypothetical welfare mother whose race was randomly varied across respondents. Analyses of these experiments find that stereotypes are strongly related to white assessments of deservingness when the welfare mother is explicitly identified as being black (Peffley, Hurwitz, and Sniderman 1997). Thus, the individual level evidence suggests that white stereotypes about blacks interact with white perceptions of the race of the welfare population to affect judgments about welfare deservingness.

*Linking Racial Attitudes to Racial Context*

Given these findings at the individual level, there are two possible ways that the racial composition of the AFDC rolls might be related to the relevant attitudes among whites. White stereotypes concerning the work ethic among African Americans could be related to the racial composition of the welfare caseload. We might expect this for at least two possible reasons. Given the predominant view among Americans that poverty is due to a lack of individual effort and that welfare receipt is unnecessary, one might expect that in areas where blacks comprise a large share of the welfare caseload, whites would come to believe that blacks choose not to work. Alternatively, several studies have found a strong relationship to exist between the size of the black population in a state and various measures of racial prejudice (Glaser 1994; Giles and Buckner 1993; Huckfeldt and Kohfeld 1989). Since stereotypes and prejudice are related, we may therefore expect to find a similar relationship between the black share of the welfare caseload (which is highly correlated with black population size) and stereotypes that blacks lack a strong work ethic.

Even if this is not the case, however, it is still possible that the racial composition of the AFDC caseload is related to white attitudes that are directly relevant in explaining welfare policy outcomes. This is due to the fact that the survey evidence suggests that it is not just stereotypes, but the combination (interaction) of stereotypes and the presence of black welfare recipients that influences attitudes toward welfare deservingness. Thus, even if there were no (or even random) variation in stereotypes across states, to the extent that whites are able to accurately estimate the relative size of the black recipient population in their state, we would

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expect support for restrictive welfare reform to be related to the racial composition of the AFDC population. While it seems straightforward to assume that whites are capable of accurately estimating the relative size of the black poor/welfare population in their state, survey data have shown that such perceptions are in fact quite distorted. As Gilens (1999) concludes, “despite the large state-by-state differences in the percentage of blacks among the poor, personal experience seems to have little impact on public perceptions of the racial composition of the poor” (137).

To determine if a state’s racial context is in fact related to white racial attitudes, I examine the relationship between items taken from the 1991 NRPS and two measures of the racial composition of the target population for welfare—the percentage of the AFDC caseload that is black (*%AFDC black*) and the percentage of the poverty population that is black (*%Black poor*). First, I examine the hypothesis that white perceptions of the racial composition of the target population for welfare policies are related to objective measures of racial context in a state. As noted previously, using NRPS data, Gilens (1996b, 1999) found that white estimates of the black share of the poor population are, on average, inflated, and that they appear to be unrelated to the actual black share of the poor in a state. Two aspects of Gilens’s analysis are worth noting. First, Gilens’s conclusion that white perceptions are unrelated to state-level conditions is based on a casual inspection of white perceptions for only a handful of states. Thus, a more systematic analysis may be warranted. Second, the question that he examines asks individuals to estimate the percentage of the poor that are black *in the United States*, not just in their state. Thus, if it is found that state-level conditions are not related to national-level estimates, as Gilens reports, then this could mean one of two things. Either whites are insensitive to the racial context in their state, or alternatively, respondents simply understood the question and could easily distinguish between national- and state-level conditions. However, if state-level conditions *are* found to be related to national-level estimates of the size of the black poor population, this would provide strong evidence that whites are sensitive to the racial context in their state and could make reasonable estimates of the size of this population in their state if they were asked.

I reexamine this question by regressing white estimates of the black share of the national poverty population (from the NRPS) on both measures of state racial context. The results from this analysis are summarized in table 3.2. Scanning the results in the first two rows in the second column of the table, we find mixed results. The racial composition of the

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AFDC caseload is significantly related to white perceptions of the black share of the poor, while the actual black share of the poor in a state is unrelated to white estimates. Rows 3 and 4 of the table report estimates of the same relationships after taking the natural log of each of the independent variables. These relationships are significantly stronger and suggest that the racial context in a state has the greatest effect on white perceptions where the black population is relative small, and that this effect diminishes as the black population size increases. Given the fact that state-level conditions are even weakly related to national-level perceptions, however, this gives us some confidence that if we were able to examine white perceptions of the size of the black poor *in their state*, these estimates would be at least moderately correlated with reality.

I now examine the relationship between racial context and white perceptions that “blacks are lazy”—the stereotype found to be the most important determinant of white attitudes concerning welfare. To examine variation in this important stereotype, I regress white perceptions of the work ethic among blacks (agreement with the statement that “blacks are lazy”) on both measures of racial context. These results are presented in the third column of table 3.2 and show that white stereotypes are strongly related to the size of the black poor/welfare population in a state. This finding is consistent with studies that find a relationship between racial prejudice and black population size at the state level, and together with the results presented in column 2 of table 3.2, suggests that measures of racial context in state-level studies of AFDC benefits are indeed reasonable surrogates for the relevant individual-level attitudes

**TABLE 3.2. Relationship between Racial Attitudes and Alternative Measures of State Racial Context**

State-Level Variables	Individual-Level Variables	
	White Estimate of Black Poor	White Belief That Blacks Are Lazy
%AFDC black	.042* / 1.87	.0010** / 4.85
%Black poor	.041 / 1.31	.0013** / 4.38
Log of %AFDC black	1.110* / 2.19	0.18** / 3.98
Log of %Black poor	.923* / 1.81	.018** / 3.88
N	1,831	1,852

*Note:* Cell entries are unstandardized slope coefficients and *t*-values. Individual-level data are taken from the National Race and Politics Survey, 1991. For measurement details, see appendix.

\**p* < .05, one tailed      \*\**p* < .01, one-tailed

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that drive white opinions about welfare policy. In addition, these results suggest that the strong effect of the racial composition of the AFDC caseload on restrictive waiver adoptions may in fact be rooted in white attitudes and their connection to state policy outcomes.

## Conclusion

Several studies over the years have reported a significant relationship between the racial context in a state and the generosity of its welfare payments. This research is subject to two important limitations. First, by focusing exclusively on benefit data, these studies are limited in their ability to explain contemporary changes in welfare policy such as recent welfare reform. Second, past studies have failed to adequately conceptualize how the racial context in a state might be related to welfare. The results of the analyses reported in this chapter address each of these weaknesses in important ways.

While several state-level studies have found a relationship between welfare payments and racial context, none have looked at the effect of race on efforts to reform AFDC through the adoption of federal waivers. Based on the results of this analysis of state waiver adoptions, the percentage of the AFDC caseload that is black proves to be the strongest and most consistent predictor of the adoption of work requirements, time limits, and state efforts to regulate “irresponsible” behavior. These findings are relatively consistent with those found by Soss et al. (2001) in their study of state TANF plans, and together with their analysis provide strong evidence that welfare reform has been partly driven by racial attitudes. Based on this fact, this suggests that future analyses of state welfare policies cannot be considered complete without considering the effects of race.

In doing so, however, the results of this analysis also provide one important caveat. Although racial context appears to limit the generosity of state welfare policies through racial attitudes, past studies have ignored the possible ameliorative effects of racial context through its relationship with black political power. Indeed, my analysis of state waiver adoptions does find that black political representation has served to partly offset the impact of white racial attitudes on welfare policy-making. Whether this finding can be replicated in other policy-making environments (including current TANF policies) remains to be seen, but this finding is consistent with other studies that find that black political

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power to be related to welfare generosity (e.g. Fording 1997, 2001; Herring 1990; Mueller and Kreueger 2001). Thus, it appears that black representation may hold some promise as a possible remedy for the policy effects of racial stereotypes.

APPENDIX: DATA AND SOURCES

Individual-Level Variables (Source: National Race and Politics Study, 1991)

*Perception of welfare recipients as deserving:* “Most people on welfare could get by without it if they really tried.” 0 = Disagree strongly, .33 = Disagree somewhat, .67 = Agree somewhat, 1 = Agree strongly. “Most people on welfare would rather be working than taking money from the government.” 0 = Disagree strongly, .33 = Disagree somewhat, .67 = Agree somewhat, 1 = Agree strongly. Scores from the first question are subtracted from the second question. The index is rescaled to range from 0 (most undeserving) to 1 (most deserving).

*Perception of blacks as lazy:* “Now I’ll read a few words that people sometimes use to describe blacks. Of course, no word absolutely fits everybody, but, as I read each one, please tell me using a number from 0 to 10 how well you think it describes blacks as a group. If you think it’s a very good description of most blacks, give it a 10. If you feel a word is a very inaccurate description of most blacks, give it a 0.” Respondents’ scores for “hardworking” are subtracted from their scores for “lazy.” The index is then rescaled to range from 0 (most hardworking) to 1 (most lazy).

*Percentage of the poor who are black:* “Just give me your best guess on this one—what percent of all the poor people in this country would you say are black?”

*Age:* Age in years, recoded to range from 0 to 1

*Gender:* 0 = Male, 1 = Female

*Region:* 0 = non-South, 1 = South

*Education:* “What is the highest grade or year of school you completed?”

0 = Eighth grade or lower, 0.2 = Some high school, 0.4 = High school graduate, 0.6 = Some college, 0.8 = College graduate, 1.0 = Some graduate work or graduate degree

*Marital Status:* 0 = not currently married, 1 = currently married

*Family income:* Coded in 13 categories, from less than \$10,000 (scored 0) to more than \$70,000 (scored 1)

*Party identification:* Seven-point measure ranging from strong Democrat (0) to strong Republican (1)

*Ideology:* Seven-point measure ranging from strong liberal (0) to strong conservative (1)

*Individualism:* “The government in Washington tries to do too many

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things that should be left up to individuals and private businesses.”  
○ = Disagree strongly, .33 = Disagree somewhat, .67 = Agree some-  
what, 1 = Agree strongly

Waiver Categories and Examples of Waiver Provisions (Source: Ziliak et al. 1997)

*Waivers Requiring Work*

- Narrowing of criteria for exemptions from JOBS participation
- Sanctions for failure to work or participate in a training program
- Require community service work in exchange for benefits (“workfare”)
- Expand job search requirements
- Expand case management services
- Wage subsidies in private sector jobs
- Employers contribute to special accounts for education and training
- Public/private partnerships
- Workplace mentoring

*Time-Limited Assistance*

- Time limit on receiving benefits
- Requirement to work or participate in training after a specified time period
- Develop/sign a self-sufficiency plan or agreement with goals and deadlines
- Sanctions to enforce self-sufficiency agreements

*Encourage Parental Responsibility and Child Support Enforcement*

- Expand child support enforcement programs
- Increase child support pass-through
- Minor parents required to live at home or in a supervised setting
- Teen parents required to attend school
- Children required to attend school, be immunized, get health check-ups
- No increase in benefits if another child is born (“family cap”)

State-Level Independent Variables

- AFDC benefit level.* Data obtained from the Department of Health and Human Services and the Green Book.
- AFDC dependency.* Percentage of AFDC families that have been receiving assistance for at least 48 months (continuously). Source: U.S. Department of Health and Human Services, *Characteristics and Financial Circumstances of AFDC Recipients* (Washington, D.C.: U.S. Government Printing Office, various years).
- AFDC recipient rate.* Number of AFDC families per 1,000 state population. Source: U.S. Department of Health and Human Services, *Char-*



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- acteristics and Financial Circumstances of AFDC Recipients* (Washington, D.C.: U.S. Government Printing Office, various years).
- Out-of-wedlock births*. Percentage of all births in a state to unwed mothers. Source: Urban Institute's state database (<http://newfederalism.urban.org/nfdb/index.htm>).
- Historical propensity for welfare innovation*. Measure of welfare policy innovation, based on order of adoption. Source: Gray 1973.
- State population*. State population in millions. Source: *Statistical Abstract of the United States* (Washington, D.C.: U.S. Government Printing Office).
- Republican governor*. Source: *Statistical Abstract of the United States* (Washington, D.C.: U.S. Government Printing Office).
- Protestant fundamentalism*. Percentage of state population belonging to a protestant fundamentalist church in 1990. Source: Meier and Haider-Markel 1996.
- Party competition*. Yearly measure of partisan competition, computed as follows. First, I obtained the average of the following three variables, which I term Average Majority Percentage: (1) percentage of vote obtained by incumbent governor in most recent election; (2) percentage of seats held by majority party in state senate; (3) percentage of seats held by majority party in state lower chamber. A scale of party competition was then computed as 100 Average Majority Percentage. Source: *Statistical Abstract of the United States* (Washington, D.C.: U.S. Government Printing Office).
- State ideology*. Yearly measure of state liberal ("citizen") ideology (0–100). Source: Berry et al. 1998.
- %AFDC black*. Percentage of AFDC families headed by an African American. Source: U.S. Department of Health and Human Services, *Characteristics and Financial Circumstances of AFDC Recipients* (Washington, D.C.: U.S. Government Printing Office, various years).
- Black representation*. Percentage of all elected officials in a state that are black. Source: Joint Center for Political Studies, Washington, D.C.
- Low-wage sector*. Number of retail trade workers per 1,000 state population. Source: Bureau of Labor Statistics, "Most Requested Series" (<http://stats.bls.gov/top20.html>).
- State revenue*. Total revenue per capita, in thousands of dollars. Adjusted for cost of living across states and over time using state CPI reported in Berry, Fording, and Hanson 2000. Source: *Statistical Abstract of the United States* (Washington, D.C.: U.S. Government Printing Office).
- Existing waivers*. Cumulative number of waivers received (total and by category). Source: Calculations by author.

NOTES

1. Examples of new state requirements (or in some cases state options) that are designed to promote responsibility include provisions affecting teen eligibil-

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ity, restrictions on benefits for children born to AFDC mothers, school attendance requirements, and paternity establishment.

2. Federally granted AFDC waivers, which were permitted by Section 1115 of the Social Security Act, allowed states to deviate from federal guidelines in some way in the implementation of the program.

3. This figure accounts for waivers granted to implement (1) different types of time limits, (2) work requirements, (3) work incentives, or (4) measures to enhance “responsibility.” See appendix for details.

4. A recent exception to this generalization is the study of state TANF policies by Soss et al. (2001), who find that the racial composition of the caseload was negatively related to program generosity.

5. See appendix for data sources.

6. Data for the number of waivers and for AFDC benefits are described in the appendix.

7. One exception in this literature is Johnson (2001), who uses aggregated survey data from the General Social Survey as a direct measure of racial attitudes. Johnson finds that racial tolerance is positively related to state benefit levels.

8. This category also includes waivers for time limits on work requirements, requirements to develop a self-sufficiency plan with goals and deadlines, and sanctions to enforce self-sufficiency agreements. The classification scheme, and as well the waiver data used in this paper, are taken from Ziliak et al. 1997. See the appendix for more details on these categories.

9. Data sources for all of the independent variables discussed in this section are given in the appendix.

10. I choose this variable over a measure of expenditures due to the fact that AFDC receipt automatically makes one eligible for a number of other programs and services including Medicaid and job training and education services, all of which require considerable state investment and which are not captured by an AFDC expenditure variable.

11. Additional independent variables were also examined, and included such variables as tax capacity, tax effort, AFDC benefit level, gubernatorial power, legislative professionalism, and the number of waivers adopted by a state’s neighbors (where neighbors were defined as in Berry, Fording, and Hanson 2002). None of these variables proved to be significantly related to state waiver adoptions in any of the models. The finding that waiver adoptions do not appear to be influenced by waiver adoptions in neighboring states is particularly relevant for the debate concerning the possible existence of a “race to the bottom” in state welfare policy, and the possibility that welfare policy is driven by interstate competition (Peterson and Rom 1990; Rom, Peterson, and Scheve 1998). My results suggest that to the extent that welfare competition exists, it is limited to benefit levels.

12. Thus, the research design can be characterized as a discrete-time event history analysis (Box-Steffensmeier and Jones 1997). Unlike the typical event history setup, however, all states remain in the data set after the first adoption as they continue to be “at risk” to adopt additional waivers in the future.