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State Responses to Block Grants: Will the Social Safety Net Hold?

Howard Chernick and Andrew Reschovsky

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If the welfare reform legislation passed by the Republican-controlled 104th Congress becomes law, the nation's system of cash assistance to the poor will radically change.

Under our current welfare system—Aid to Families with Dependent Children (AFDC)—mothers who meet certain eligibility requirements are entitled to welfare benefits. Proposed federal legislation would require state governments to take steps to get people off welfare and into jobs. States, however, would no longer be required to provide cash assistance to poor people, even if they participated in all required welfare-to-work programs.

The current welfare system is financed jointly by the federal government and state governments, with the federal government paying a specified share of every dollar a state expends on its welfare system. The congressional proposals would replace the current financing system with block grants to each state. These block grants would remain unchanged over time and would be largely invariant to the number of people in need of assistance. In addition to block grants for welfare, the budget resolution recently approved by Congress includes provisions to establish block grants for Medicaid, the government program that finances medical care for the needy.

Although President Clinton vetoed two congressional welfare reform bills, he appears to have accepted in principle the ending of the entitlement status of welfare and the establishing of block grants for welfare. He has stated his strong opposition to Medicaid block grants, but it is quite likely that he would sign some kind of welfare reform bill that involves welfare block grants.

The switching from matching grants to block grants for the funding of Medicaid and welfare will create strong pressures on state policymakers to shift state funding away from these two programs. The purpose of this article is to try to predict how state governments will in fact respond to the adoption of these block grants. The central question we ask is, Will the establishment of block grants lead state governments to reduce spending on welfare and Medicaid, and if so, by how much?

Past Trends

AFDC is the basic welfare program in the United States, providing cash grants to those who are eligible for support. AFDC

Director's Perspective

As this issue of the *La Follette Policy Report* goes to press, we are in transition. After five years as director, I am returning to civilian life—that is, to full-time teaching and research. I will continue to be actively involved in the programs of the Institute, of course, but the directorship here is a rotating one, and I am pleased to pass on the pleasures, the paperwork, and the view of our lake to Donald Kettl. Don's work on how to improve government performance has appeared many times in the pages of the *Policy Report*. In the current issue, for example, he offers ten reasons for Congress being as involved with overseeing performance standards as it is with the budget deficit. He has been intimately involved with the Vice President's National Performance Review, is a senior fellow with the Brookings Institution, and speaks frequently to a wide range of groups on issues relating to public management. Under Don's leadership, the Institute is in good hands.

Since the last issue of this *Policy Report* was released, the Institute has undertaken a number of outreach ventures, two of which stand out. In the spring, we organized what has become an annual event—the 2020 brown bag series. This year the theme was "Information Technology is the Year 2020." The five sessions drew a wide range of state employees. Speakers were Prof. Louise Robbins, (School of Library and Information Studies), Prof. Barrett Caldwell (School of Engineering), Carole Doeppers (former Office of Privacy), Prof. Tad Pinkerton (Division of Information Technology), and Prof. Michael Streibel (School of Education). Considering subjects ranging from cyber libraries to workplace changes brought about by technology, speakers and participants engaged one another for an hour five Mondays in a row.

Another outreach effort that proved extremely engaging this spring was sponsored by the Institute's Center for State and Local Governance directed by Dennis Dresang. With funding raised by former Madison Mayor Joel Skornicka, we hosted a program that allowed community leaders from seven areas of Wisconsin to exchange views on and plan strategies for dealing with youth violence and gang activity in their respective areas. Many more communities were interested in participating than we were able to accommodate, so we are planning to repeat the program next year for others. A summary of the keynote speech of the conference is included in this issue of the *Policy Report*, and copies of the full proceedings are available upon request.

The lead piece in this issue of the *Policy Report* is very much in the news across the country. Professors Howard Chernick and Andrew Reschovsky often collaborate on research relating to state and local finance. This time they focus on the possible effects of changes in welfare funding on states, local governments, and on welfare recipients themselves.

Maria Cancian's article in this issue considers the effects of changes in affirmative action policies if colleges were to substitute other factors (such as poverty, education level, or single-parent household status) for race.

Peter Eisinger

recipients are automatically eligible for Food Stamps and for Medicaid, which provides medical services to the needy. Almost all AFDC recipients participate in these three programs. Because a number of non-AFDC households are eligible for both Food Stamps and Medicaid, these latter two programs serve a larger population than does AFDC. In 1992, 47.5 percent of Food Stamp recipients also received AFDC. Of Medicaid recipients, 71 percent received AFDC. Other Medicaid beneficiaries are primarily indigents in nursing homes, SSI recipients, and low-income Medicare recipients. Because average Medicaid expenditures per AFDC family are substantially lower than Medicaid expenditures per elderly or disabled recipient, only 29 percent of total Medicaid expenditures went to provide medical care for welfare recipients.

Table 1 shows trends in AFDC, Food Stamp, and Medicaid financing between 1980 and 1993. After adjusting for inflation, aggregate spending on Medicaid has increased rapidly, Food Stamp spending has grown moderately, and AFDC spending has remained largely unchanged. Only since 1989 has the AFDC caseload risen rapidly. In 1993 about five percent of the population was receiving AFDC. The data shown in the bottom panel of the table show average payments per beneficiary. They illustrate the same trends as the aggregate numbers, with a gradual substitution of Food Stamps and Medicaid for AFDC. The total package of benefits has risen slightly in real (inflation-adjusted) terms. Real AFDC benefit levels have declined, while Food Stamp benefits have increased slightly, and Medicaid benefits have risen rapidly. The decline in the basic AFDC grant has been particularly rapid in the past few years. For example, between 1991 and 1994, eleven states actually cut their benefit levels, while only six increased benefits enough to maintain their real value.

Many analysts have pointed to the long decline in AFDC benefit levels as evidence of a reduced commitment by state governments to the needy. However, at the same time that the typical AFDC recipient has experienced a decline in the value of her benefits, state fiscal allocations to the broad category of public welfare, which includes Medicaid, have actually increased. This fact is largely explained by the rapid growth in Medicaid spending, much of which has been directed toward non-AFDC recipients.

Current Issues

Under current law both AFDC and Medicaid are jointly funded by federal and state governments through the use of *open-ended matching* grants. With these grants, the federal government pays a share of any eligible expenditure by state governments, with no limits on the total amount of federal aid.

The federal share varies by state, with higher shares provided in low-income states. In 1996 the federal share ranged from 50 percent (in the 11 states with the highest incomes and the District of Columbia) to 78 percent (in Mississippi, the poorest state). On average the federal share equaled 60 percent. A major advantage of a matching grant from the federal government's perspective is that it encourages states to increase the generosity of their Medicaid and welfare systems by lowering the *tax price* of extra state spending on these programs.

If a state decides to spend an extra dollar on police protection or on public education, that extra spending will cost the state's taxpayers an extra dollar. The tax price for public safety or education spending is thus defined as equal to one. Alternatively, if a state decides to spend an extra dollar on Medicaid or welfare benefits, that extra spending costs state taxpayers, on average, only 40 cents (one dollar minus the 60 cent federal share in the average state). Since the size of a block grant does not depend on the level of state spending, the immediate impact of switching from matching grants to block grants is that state governments will have to bear the complete cost of each extra dollar of Medicaid and welfare spending. In other words, the tax price for spending on these programs will suddenly rise from 40 cents to one dollar.

How will state policymakers respond to this increase in tax price? A basic tenet of economics is that when price goes up, demand goes down. Research on matching grants indicates that this proposition applies to government behavior as well. By how much would spending on the poor decrease under block grants? No one knows for sure, since such a policy is untried. However, by carefully reviewing the literature on how states have responded to the existing matching grant policy, we can make an informed guess about the likely effects.

Our best estimate is that over time the proposed block grants will lead to a 17-25 percent reduction in cash benefit levels to the needy. The likely impact of a reduction in benefit levels is a decline in the number of people applying for cash assistance and in the length of time individuals stay on the welfare rolls. Many states are already making strong efforts to reduce caseloads by setting formal time limits or stricter work requirements, or by increasing administrative hurdles to eligibility.

The elimination of the federal entitlement to welfare benefits, coupled with the change in fiscal incentives, mean that these efforts will intensify under fixed block grants. Putting together the predicted reductions in benefit levels and caseloads, we predict that in the average state, total welfare spending will decline by approximately 30 percent. For reasons we will spell out below, the fiscal responses to block grants will vary considerably from state to state.

A number of governors, especially those who are strongly supporting the move to block grants, have argued forcefully that they will not respond to block grants for Medicaid and welfare by reducing their commitment to protect their most vulnerable citizens. The fact remains, however, that under current law these two programs receive favorable treatment.

In the average state, a decision to reduce Medicaid or welfare spending by one dollar results in a 60 cent cut in federal aid and frees up only 40 cents in state resources that could then be used for tax reductions or to finance other programs. This fact puts pressure on state policymakers to look elsewhere for budgetary savings. A switch to block grants, however, will put Medicaid and welfare on equal footing with other state programs. A dollar reduction in spending will free up a full dollar.

TABLE 1

Welfare Spending by the U.S. Government
1980-1993

Total Spending (in millions of 1993 dollars)

Year	AFDC[1] Dollars	AFDC[1] Number of recipients (in thousands)	Food Stamps[2]	Medicaid[3]	Total
1980	$20,700	10,597	$14,883	$46,244	$81,827
1985	19,627	10,813	16,893	55,082	91,602
1990	20,671	11,460	17,739	80,829	119,239
1993	22,286	14,144	24,806	132,010	179,102

Average Monthly Payment per AFDC Recipient
and Percent of Total Payment (in 1993 dollars)

Year	AFDC Dollars[1]	AFDC Percent	Food Stamps Dollars[2]	Food Stamps Percent	Medicaid Dollars[3]	Medicaid Percent	Total
1980	$168	58%	$55	19%	$68[4]	23%	$291
1985	157	56	60	21	65	23	282
1990	150	49	63	21	90	30	303
1993	131	44	68	22	101[5]	34	300

Source: *1994 Green Book* (U.S. House of Representatives)

1. Dollar totals are from table 10-21; number of recipients and averages are from table 10-24. Figures do not include administrative expenses.
2. Table 18-11, Average Monthly Benefit for all Food Stamp recipients.
3. Dollar totals are from table 18-13; averages are from table 18-19.
4. This number is for 1981.
5. This number is for 1992.

Fiscal Incentives

To get a complete picture of how state fiscal incentives would change if the federal government were to adopt a block grant for welfare, however, it is necessary to understand the interactions between the welfare and Food Stamp programs.

Because almost all AFDC recipients (and many others) get Food Stamps, it is not unreasonable for many state government policymakers to consider Food Stamps a good substitute for AFDC. Thus although Food Stamps go directly to individuals, states may view them as essentially equivalent to a federally funded categorical grant to states for the needy. The relationship between AFDC and Food Stamps is complicated, however, because for every dollar of monthly AFDC benefits (or other income) a family receives above a base income level (currently set at $338 per month), their monthly Food Stamp allocation is reduced by 30 cents. The direct implication of this Food Stamp "tax" on AFDC benefits is that for the state to increase cash benefits to the needy (AFDC plus Food Stamps) by one dollar will require a total increase in expenditure of $1.43.

The interaction between Food Stamps and AFDC thus increases the cost to state residents of increasing cash benefits to the poor. With an open-ended matching grant for welfare, this cost (i.e., tax price) is equal to 1.43 times the state's share of providing an extra dollar of AFDC benefits. As the average state share (calculated as one minus the average AFDC matching rate) equals .40, the average tax price of a dollar increase in AFDC benefits is 57 cents (i.e., 1.43 times .40).

The increase in the tax price of AFDC would be greater for poorer states because they benefit from higher federal matching rates under current law. If, as is likely, Congress allocates less money for welfare block grants than it currently spends on AFDC, then states would face not only an increase in the tax price for welfare, but a decrease in the amount of federal aid. The same would be true if Food Stamp benefits were reduced.

The Medicaid program is also funded through an open-ended matching grant using the same matching rates as AFDC. As illustrated in table 1, however, total Medicaid spending has grown much more rapidly than AFDC spending. In part this growth reflects the increase in the number of persons eligible for Medicaid, and in part it reflects the rapid increase in the cost of medical services. The federal share of Medicaid spending has also grown because of the use of so-called provider taxes. These typically are taxes on hospitals, which are quickly reimbursed by the states. By counting these reimbursements as the state match to federal Medicaid dollars, states can effectively eliminate the local matching requirement. In the past several years, Congress has limited the use of these provider taxes.

Under current law, all AFDC recipients are eligible for Medicaid coverage. The law specifies a list of services that must be covered. States are free to add coverage for certain additional medical services and procedures. Most states have chosen to provide Medicaid coverage to the medically needy, including many nursing home residents, and have opted for a more generous package of services than the minimum requirements.

As all AFDC recipients are covered by Medicaid, and because the costs of Medicaid have risen so rapidly in recent years, some states may have chosen to, in effect, substitute expanded Medicaid spending for reductions in AFDC benefits. One reason that states may have been willing to substitute Medicaid for AFDC spending is that while a one dollar increase in AFDC spending results in an automatic 30 cent reduction of Food Stamps, an increase in Medicaid spending results in no such reduction. This implies that from the states' perspective, a dollar increase in Medicaid spending is cheaper than a dollar increase in AFDC spending. In states with the average federal matching rate for AFDC and Medicaid, the tax price for an extra dollar of spending on AFDC is 57 cents, while the tax price for an extra dollar of Medicaid spending is 40 cents.

The recent data on Medicaid and AFDC spending suggest that the substitution of Medicaid for AFDC spending has in fact occurred. As can be seen in the bottom panel of table 1, between 1980 and 1993 the real average monthly Medicaid benefit per AFDC recipient increased by approximately $35 while real average monthly AFDC payments declined by $37.

The Republican-controlled Congress and the National Governors' Association have both proposed converting the federal Medicaid financing from an open-ended matching grant to a block grant. If Medicaid were turned into a block grant, the tax price of medical services for the needy would increase from 40 cents to one dollar, an increase of 60 cents. In relative terms, however, the tax price of AFDC grants and Medicaid would remain the same, with extra spending on AFDC still 43 percent more expensive to states than Medicaid.

The welfare reform proposals passed by Congress included a maintenance of effort provision. This provision places a limit, generally 25 percent, on the amount by which state governments can reduce welfare spending financed from state funds. These provisions have the potential to constrain state responses to block grants in the period immediately following their imposition. Because maintenance of effort provisions are rarely adjusted for the effects of inflation or of population and caseload growth, within several years of their imposition even tightly drawn maintenance of effort provisions may lose their effectiveness in constraining the fiscal behavior of states.

The conversion from open-ended matching grants to block grants will make any increases in spending on both AFDC and Medicaid more expensive for state governments. Furthermore, state governments will, with some restrictions, be able to reduce their spending of state tax revenues on AFDC and Medicaid without reducing the amount of federal aid they receive.

Econometric Evidence

To predict how state governments respond to increases in tax prices, we survey the empirical literature for estimates of the *price elasticity* and *income elasticity* of AFDC benefit levels and Medicaid spending. A price elasticity tells us how responsive state government spending is to change in the tax prices, and an income elasticity indicates the degree to which spending changes in response to changes in state income and changes in the dollar level of grants.

Over the past 20 years a number of scholars have conducted econometric studies of the AFDC, Food Stamp, and Medicaid programs. These studies have attempted to provide estimates of the price and income elasticities associated with state fiscal responses to these programs. All the studies are plagued by two difficult problems. First, it has proved difficult to disentangle price and income effects because matching rates, and consequently tax prices, are by con-

continued on page 12

Eliminating the Performance Deficit: Why Congress Must Get Involved

Donald F. Kettl

On March 6, 1996, Donald Kettl presented the following as testimony before a Joint Hearing of the Committee on Government Reform and Oversight of the U.S. House of Representatives and the Committee on Governmental Affairs of the U.S. Senate. In addition to being Professor of Public Affairs and Political Science at the University of Wisconsin–Madison, Kettl also is a Nonresident Senior Fellow in the Brookings Institution's Center for Public Management. In August 1996, he becomes the director of the La Follette Institute of Public Affairs.

Citizens and public officials alike are all too correct when they criticize the way the federal government works. Performance is not what it could be. But performance measurements required by the 1993 Government Performance and Results Act (GPRA) are key to solving this problem.

Congress is critical to making performance-based management work. Without strong congressional leadership, GPRA's impact will fade away. For members of Congress to play that leadership role, GPRA will have to provide them with answers to questions they need to solve. GPRA can in fact do just that: It can provide the missing link between authorizations and appropriations on the one hand, and worries about government performance on the other. I suggest ten reasons for taking GPRA seriously:

1. Public officials must tackle both performance *and* budget deficits.

Too often, debate on cutting the federal deficit proceeds on the assumption that should we ever truly succeed in eliminating the deficit the nation's problems would end. Eliminating the deficit would demonstrate great political will, and that would be a huge accomplishment. Citizens worry that government doesn't work and that it can't make tough choices. A serious deficit reduction plan would show that government can solve such problems.

Even balancing the budget, however, would not solve all the critical questions. Eliminating the deficit, whether by cutting programs or increasing taxes, would not ensure that government would work any better. Indeed, it might even get worse. Many of the downsizing and budget cutting decisions have been made with a blunt instrument. Government offices have often come out of the process ill-configured, with the wrong collections of people and technology to promote efficiency. (That has too often been the result of downsizing in the private sector as well.) Inefficient offices could frustrate citizens doing business with government; they could allow fraud, waste, and abuse to grow; and they could generate fresh news reports about a government that can't shoot straight.

Citizens are not likely to react warmly if, after having been promised a government that works better and costs less, they get a government that works worse and costs more. Applicants for Social Security benefits expect quick and friendly service, along with predictable and accurate checks. Midwest residents want timely tornado warnings, while coastal residents need good hurricane predictions. Workers expect their pensions to be safe; air travelers, the air traffic control system to guide them safely to the ground; citizens, their drinking water to be free of toxins. The symbol of a balanced budget will have little meaning if citizens are angry that the services on which they rely are poor or unreliable.

That is not an inevitable outcome. But it is a likely result unless policymakers realize that shrinking government's size is not one problem but two: first, eliminating what can and should be cut; and second, ensuring that what is left—what policy makers determine is the core that government can and should manage—works well. So far, public debate has focused on the first problem. Sooner or later, we will have to turn to the second. And unless we solve it, public anger at government, its institutions, and its elected officials is likely to grow even bigger.

I have argued elsewhere that American government has not one deficit but two: a budget deficit and a performance deficit. Unless we solve both deficits, citizens rightly will be unforgiving.

GPRA frames a coherent attack on both the budget and performance deficits by allowing a serious discussion, for the first time in American government, on what we get for the money we spend. It provides members of Congress a way to bridge the gap between the budget and performance deficits.

2. Performance measurement is the key to reducing both deficits.

We are not alone in struggling with the twin deficits. Some nations have been working for well over a decade on cutting both deficits, while the American federal government has been single-mindedly focused on the budget deficit. Other nations have had greater success in reducing both deficits than the United States has. And the most successful nations have built their efforts on performance measurement.

Although the private sector can provide interesting insights for performance, the really useful models on these questions are countries like Australia, France, New Zealand, Sweden, and the United Kingdom. The drive to shrink government has been surprisingly global. Where it has been most successful, the government reduction movement has been coupled with tactics to improve government performance. In Australia, the focus has been on "letting managers manage" by working to remove barriers to energetic administration. In New Zealand and the United Kingdom, the focus has been on "making managers manage" by introducing market competition into government services. But in all of these cases, performance measurement has been at the core.

Performance measurement in these countries has been important for two reasons. First, performance measurement has helped government policy makers move from a focus on inputs—how much they spend on programs—to a focus on outputs—what results they get from the money they spend. The American reform effort has concentrated just on the first half of this equation. It is little wonder that it has proven so frustrating, because the input focus (how much money to spend) has proceeded independently of what really matters (what the money buys). With this disconnection, it is hard to ask the important questions or to provide answers that satisfy anyone for long.

Second, performance measurement has helped policy makers move from process—how decisions get made—to results. For a decade, the American federal government has struggled to devise procedural solutions for tough substantive problems. Elected officials have tried automatic deficit reduction tactics like Gramm-Rudman and have proposed spending ceilings like the balanced budget amendment. No process, however, can force elected officials to make decisions they do not want to make. And no process can prove a guide through tough substantive problems.

GPRA builds on the success of other nations by demanding that government agencies make performance the touchstone for their actions. It provides members of Congress with a way of focusing government on what it does instead of what it spends.

3. Performance measurement provides Congress with critical information about agencies' strategic decisions.

The fate of the laws Congress passes depends on how agency officials implement them. Members of Congress rightly expect that managers will execute the laws as passed. From the administrators' point of view, however, the situation is often far more complex and full of conflict. They face competing demands on how aggressively to administer these laws, which can lead to inconsistent decisions. Different laws can ask them to do conflicting things. They sometimes do not have enough money to do all that a program's beneficiaries might expect, which can produce frequent complaints. And they rarely have enough time to satisfy all legislative goals simultaneously, which means they must make hard choices.

Executive branch officials must constantly make strategic choices about where to invest their energy, how to balance conflicting demands, and how best to achieve the goals they seek. Sometimes they do it like explorers in a jungle, hacking their way with machetes through the policy forest. Sometimes they do it much more carefully, planning their steps to maximize legislative goals. One way or another, these decisions determine what gets done and what public programs produce.

Recent rounds of budget cutting have made this process much harder. Downsizing of the federal government's work force has hit some agencies harder than others, so those remaining have frequently had to learn how to do new jobs with less help. If budgets have been cut, citizens' expectations rarely have shrunk, so government workers have faced even harder problems.

The symbol of a balanced budget will have little meaning if citizens are angry that the services on which they rely are poor or unreliable.

This has two implications. First, government managers can solve these problems only by thinking and acting strategically. They need to decide how to balance competing demands, which problems demand the most immediate attention, how to apply new technology to do their jobs smarter, and how to deliver more for less. In the midst of such turmoil, government managers often feel they have no time to plan strategically. But in the face of such hard problems, the only possible solution is for them to act and think carefully. The tougher the problems, the more important strategic planning becomes.

Second, congressional authorization and appropriation will increasingly need to build on these strategic plans. The more important strategic planning becomes, the more important it will be for members of Congress to review these plans. They will frame the important tradeoffs that managers deep inside agencies will make. GPRA requires agencies to write strategic plans (which is important in itself), to publish those strategic plans (which is critical to Congress), and to use these strategic plans as the foundation for measuring results (which in the end is most important). This process might seem burdensome, but the transparency it creates can vastly improve congressional oversight, authorization, and appropriations functions because it opens a window into the most important decisions of executive agencies.

The law and logic of GPRA requires government agencies to write strategic plans. These plans will guide members of Congress to the truly critical decisions that these agencies make in implementing the law.

4. Strategic plans provide a road map to achieving results.

It is one thing to focus on results. It is another thing to determine how to achieve them. Strategic plans not only make the process by which managers set their priorities clearer, they also provide a road map for how managers propose to reach results.

Businesses, of course, have used strategic plans for years, but they are far newer to government. Good strategic plans have six steps:

- Define the mission. Legislation defines public programs. It does not and cannot prescribe the operating manual for an agency. Talk about writing "mission statements" can sometimes seem like abstract consultant-speak. But mission statements can explain to the world outside the agency how agency officials view their work. And the process of producing such a statement can prove extremely powerful in stimulating a conversation within the agency about what really matters.
- Frame the goals. The mission and culture combine to describe the general purposes of the agency, what it seeks to achieve, and how it goes about achieving it. Framing the goals, in clear and specific language, provides the critical link between the law and the specific activities of agency officials to implement the law.
- Set the objectives. Operating managers must translate broad agency goals into specific objectives for managers. Framing objectives create a bridge between goals and the work plans for individual units. It charts how each manager's work fits into the agency's overall mission.

- Assign responsibility for achieving objectives. Not only is it important to define what ought to be done, it is also critical to decide who ought to do it. Performance measurement can improve accountability only if it helps link organizational goals with specific objectives and clearly defines responsibility for producing results.
- Specify output/outcome measures. Agency officials must define measures (or "indicators") to assess whether managers are achieving their objectives, and then collect information on those measures.
- Compare results with goals. Finally, agency officials must compare results with goals. The outcome measures allow them to compare their actual performance with what they sought to achieve.

The Internal Revenue Service, for example, has already developed a strategic plan that charts the agency's path through these steps. The agency has defined a broad mission:

> The purpose of the Internal Revenue Service is to collect the proper amount of tax revenue at the least cost; service the public by continually improving the quality of our products and services; and perform in a manner warranting the highest degree of public confidence in our integrity, efficiency, and fairness.

It has set three goals:

- Increase voluntary compliance
- Maximize customer satisfaction.
- Achieve quality-driven productivity through systems improvement and employee development

Under the first goal, IRS has specified two objectives: (1) to collect at least 90 percent of the total tax dollars due and owing, through increased voluntary compliance and enforcement; and (2) to achieve the recognition of the public, outside stakeholders, and IRS employees for the ethical conduct of IRS regarding fair and uniform application of tax laws, maintenance of the highest standards of integrity, and confidentiality of tax information.

The measurable indicator for the first objective is the amount that IRS collects of taxes due and owing. It has set performance goals of 86.6 percent in fiscal year 1995, 86.8 percent in fiscal year 1996, 87.2 percent in fiscal year 1997, increasing to 90 percent by 2001. IRS has also assigned specific responsibility to individual units for achieving these objectives. It has gone through a similar process for the other goals and objectives.

The IRS strategic plan tells everyone the following:

- what mission IRS seeks to accomplish
- how IRS plans to meet its mission
- what success IRS has had in achieving its mission
- who has been responsible for successes and failures
- how outsiders can tell if IRS has done what it planned to do

More than any other tool at Congress's disposal, the strategic planning that GPRA requires of government agencies will provide an important road map to what agencies are trying to do and how well they are doing it.

It is one thing to focus on results. It is another thing to determine how to achieve them.

5. Performance measurement connects plans with results.

It is one thing to forecast the weather; it is another to provide timely information that minimizes the loss of life in a hurricane. The Customs Service can inspect passports and luggage, but that doesn't necessarily reduce drug smuggling. When we worry about performance, what we really want is to solve problems, not count how much activity takes place.

This puzzle moves us directly into the arcane distinction between outputs and outcomes. Such talk immediately produces the MEGO (my eyes glaze over) phenomenon. But this distinction matters critically to Congress's ability to solve the problems for which it legislates, for this reason: Most federal agencies and most federal managers do not directly produce goods and services. Important exceptions include agencies like the State Department, the Social Security Administration, the Department of Veterans Affairs, and the National Weather Service. But most managers spend their time in partnership with other managers in other federal agencies, at other levels of government, in nonprofit organizations, and in the private sector. It is this partnership that in the end actually produces the goods and services that the government pays for.

For example, the Department of Education actually provides little education; it makes grants to others who educate. The Department of Defense does not build missiles or fighters; private contractors do. OSHA does not make workplaces safe; it regulates and inspects workplaces to ensure that private companies keep their facilities safe. The Health Care Financing Administration does not provide Medicare services; it funds and manages a vast array of nonprofit and for-profit organizations that do so.

This creates a dilemma for measuring results. What matters most is what results federal programs produce. This leads logically to measuring program results. But most of these results depend on how well the partnerships work and therefore are out of the direct control of federal managers. Federal managers understandably are nervous about being measured and held accountable for results they cannot directly control. Instead, they argue that performance measurement ought to focus on their activity. Should GPRA focus on holding managers responsible for results they can control but risk losing sight of the bigger picture, or should it measure the broader impact of a government program but risk losing a clear sense of who is responsible for what?

In the language of performance measurement, the question becomes this: Should government measure *outputs*, the services produced? Or should government measure *outcomes*, the results achieved?

On the most basic level, the answer is simple. Government must seek to do *both*. We need information about the specific activities of government managers and about the broader results they produce. But we also need to be very frank: This is very hard to do. These measurement issues rank among the toughest technical challenges in public management. The degree of difficulty, however, should not prevent us from trying as hard as we can to do it right. If the solutions are hard, the questions are critical, and effort in the right direction is a plus.

On a deeper level, moreover, the return even from basic information can be so great that we ought not be hindered in developing a system just because we cannot fully implement it immediately. The experiences of other nations demonstrate quite clearly that performance measurement emerges only from a very long—probably decades-long—process. In the meantime, however, getting better information about who is doing what, even if that information is rudimentary, can so substantially improve public debate that we ought not be hindered by the scope of the total task.

Does a federal job training program work? It makes much more sense to gauge how many people are trained, what their characteristics are, what kind of jobs they get, and how long they keep them, than simply to declare a program a success because it spends a certain amount of money. Does the air traffic control system work? Comparing delays with on-time arrivals makes far more sense than simply counting outlays. None of these measures gives a full picture. But basic output data is always better than any input data. Advocates of the crime bill several years ago declared success by funding 100,000 more street cops. What really matters, of course, is whether the cops actually got to the street and what they did when they got there.

More experienced nations have developed different approaches to these tough questions. New Zealand officials are quite explicit in arguing that the system should be limited to output measures. That, they say, keeps the system firmly grounded and allows clear analysis of who does what. The British government, likewise, has focused on outputs. In Canada and Australia, however, the government has broadened the focus to assessing outcomes, although output measurement remained the basic building block.

We quite simply will not know what works best in the American system until we get more experience. But any output- or outcome-based system will be vastly superior to our current non-system, which too often judges performance based on tax dollars spent. GPRA requires agencies to measure outputs; it asks them to move toward outcome assessment. It is thus the first step toward the more sophisticated performance measurement system the nation needs.

The output or outcome question is not an either–or choice. Output measurement is the building block for everything that follows. Moreover, it yields information far superior to input-based judgments. We ought to move aggressively through better strategic planning to output measures.

GPRA builds an important foundation for better policy making by making managers identify and measure outputs.

When we worry about performance, what we really want is to solve problems, not count how much activity takes place.

6. Performance measurement can improve the authorization process.

Members of Congress face tough questions in authorizing programs: What is the best way to attack a problem? How much money should we spend on trying to do so? What works? Given competing demands, where should we spend extra money and which programs should be cut? There are no easy answers to questions that inevitably require tough political judgments. But performance measurement can provide some clues.

First, performance measurement generates real information beyond the usual round of claims made by program advocates. What does an agency do and how well does it do it? The experience of other nations, as well as of state and local governments that have experimented with this system, is that performance measurement greatly informs political judgments. Hard data, moreover, can help counter strong political pressure.

Second, performance measurement provides a way to allocate scarce tax money. Economists talk about the marginal productivity of an extra dollar: Where can we invest the next dollar so that it produces the greatest impact? Performance measurement can identify which programs work best so that members of Congress can tell where money will be best spent.

Third, performance measurement suggests which policy strategies are likely to be most effective. The more agencies describe what they are trying to do, how they are trying to do it, and what they accomplish, the more members of Congress will know about what works.

Should federally funded job training rely on federal grant programs to state governments or vouchers to those who need training? Do private companies provide better payroll services than does government? Performance measurement can never provide foolproof answers to hard problems. But it can shine a searchlight into the dark recesses of government programs and provide valuable clues about what works best and why.

By focusing conversations on outputs instead of inputs, on results achieved instead of dollars spent, GPRA can help members of Congress make better decisions about which programs to authorize and how much money they ought to receive.

7. Performance measurement can improve the appropriations process.

Appropriations committees face even tougher problems: comparing the value of competing programs, and weighing how much to spend overall against the tax dollars available. The struggle revolves around how to create a picture of the whole, how to talk about critical tradeoffs, and how to move the debate from particularized claims to the big policy issues.

As long as the debate centers on how much to spend—that is, on inputs—it will be impossible to jump the gap to get to the big questions. The United States has spent a decade devising and debating procedural fixes to these questions. Results have proven modest because it is fundamentally impossible to join the symbol of a balanced budget (supported by everyone in theory) with the detailed decisions needed to reach it (contested by everyone in practice). This is a fundamentally unbridgeable gulf.

It makes far more sense to debate what to spend in the context of what results the federal government produces. First, the search for a balanced budget has produced some leverage in making hard appropriations decisions, but it cannot drive all of the tough decisions. Second, a balanced budget might someday be reached, but members of Congress will then need a new instrument to enforce spending discipline. Third, members of Congress are likely to discover that, despite widespread rhetorical support for the idea of a balanced budget, voters might provide little political payoff unless they are also convinced that a smaller government also works better.

Quite simply, Congress in general and the appropriations committees in particular need a far more sophisticated tool to make the decisions that lie ahead. The experience of other nations suggests that focusing on results helps provide that tool. It helps crack the door open for more competition, and hence more efficiency, in providing government goods and services. It helps build a base for the badly needed restructuring of government agencies and processes. And most important, it changes the very language of the debate.

Information about results has changed the fundamental dynamics wherever performance measurement has been tried. One Phoenix city official told me that it is hard for politically well-connected contractors to push for expensive contracts if the data show that they are twice as expensive as the alternatives. Collecting the information cannot make hard decisions easy. It can, however, fundamentally alter the nature and language of the debate: about what the real issues are, and what the effects are likely to be. I like to think about performance measurement, therefore, as a system of political communication: how we think and talk about the fundamental issues of government.

GPRA can assist the appropriations committees by providing a subtle tool with which to bridge the gap between deficit reduction goals and the decisions needed to reach them. More important, its performance focus can fundamentally alter the terms and language of the debate.

8. Performance measurement is no magic bullet but it helps Congress do what has to be done.

It would be easy to overestimate what GPRA can do and then be disappointed by what it actually produces. That, after all, has been the track record of previous reforms, like Planning Program Budgeting in the 1960s, Zero-Based Budgeting in the 1970s, and Total Quality Management in the 1980s. Frankness demands that we admit two things about GPRA: It is very hard to do; and even if done well, it cannot possibly solve all our problems.

Indeed, as Australian officials have admitted to me, they have been at the process for a decade and still don't have it right. But they have also had more than a decade to abandon the process, and they have not. That is because it gives them leverage over important problems that they can get no other way.

Performance measurement will never prove a panacea. It imposes huge technical problems. Quite frankly, it produces few immediate rewards. Doing it well requires time, patience, and investment in new technology and training for the workers developing it. It might well be, moreover, that voters will take excellence for granted and see anything less as a failure. The immediate political payoffs are likely to be modest.

But performance measurement is an inescapable step toward tackling decisions that cannot be ducked. It is, in a sense, the price of admission to the next set of decisions that will face members of Congress: what to do if the balanced budget campaign runs out of gas, and members of Congress need a new tool for gaining leverage over the budget; or what to do if it succeeds, and tough new questions surface, as they surely will. GPRA might be a low-visibility project, but like a strong foundation under a skyscraper, the government's work is likely to sink and sag even more without it.

GPRA provides no magic bullet for solving government's problems. But it does provide the foundation for doing what must be done.

9. Performance measurement can transform the President's budget submission to Congress.

Because the congressional budget review builds on the president's submission, the form of that budget can greatly affect Congress's ability to make critical decisions. If the president's budget were to be submitted in a performance-based format, it would greatly increase Congress's ability to ask the important questions. It would also focus the debate between Congress and the president on the issues that matter most.

Office of Management and Budget (OMB) Director Alice Rivlin has made GPRA the core of her OMB 2000 restructuring effort. OMB has sought to change the focus of its budget examiners from budget requests (inputs) to performance results (outputs). The budget office will have to complete this transition and so, too, will executive branch agencies before a budget submission in performance format would even be possible. It might well take the full seven-year GPRA phase-in period to get to a place where a performance-based presidential budget would be feasible. (All federal agencies are not required to submit annual performance reports until March 2000.) But such a performance-based budget surely is a next-round target at which to aim.

GPRA can provide the foundation for even more sophisticated improvements in federal budgeting. Most notably, it could aid the transition to a performance-based presidential budget submission to Congress. Such a budget could enormously improve the ability of the president and Congress to grapple with the truly fundamental budgetary issues.

10. Performance measurement can vastly improve congressional policy making.

Members of Congress today are wrestling with immensely complex problems. And they need the best tools they can get. GPRA is an invaluable addition to the congressional toolbox. In reviewing the steps it requires, it would be easy to mistake GPRA purely as a set of techniques for executive branch managers.

However, GPRA is at its core a tool of greatest use to members of Congress. The very process GPRA creates shines a light on the issues that most demand congressional attention: the choices and tradeoffs executive branch officials make in implementing the law; which policy strategies and tactics work best, and which ones don't; who is responsible for which results; and where new resources can best be put to use.

In struggling with these issues, members of Congress often find themselves trying to straddle an unbridgeable chasm: on one side, with admirable goals that win enthusiastic support; and on the other side, with tough decisions on the details of policy. What performance measurement can provide is a bridge between them. It does not necessarily make the trip painless, but it can make it possible.

Effective implementation of GPRA therefore ought not to be a goal in itself. That can only promote mindless bean counting. Members of Congress, instead, ought to pursue GPRA because it provides a tool to do what has to be done: grapple with the truly important and fundamental issues that lie inescapably over the horizon, past the balanced budget debate.

GPRA should not be viewed as an end in itself. It provides, rather, a tool to help members of Congress do what they have to do, and to do it in ways that no other existing tool allows. ■

Race-based vs. Class-based Affirmative Action in College Admissions

Maria Cancian

Maria Cancian is Assistant Professor of Public Affairs at the La Follette Institute, holds a joint appointment in the School of Social Work, and is affiliated with the Institute for Research on Poverty. This article reports on initial results from a simulation of the impact of alternative definitions of disadvantage on the pool of youth eligible for affirmative action in college admissions. Jessica Thomasson assisted in designing the simulation. Copies of a more detailed paper on this subject are available from the author.

Affirmative action policies have been the focus of recent debate. While some critics suggest that all forms of affirmative action should be eliminated, others have argued that programs that currently target individuals by race and ethnicity should instead focus on other definitions of disadvantage. These "class-based" affirmative action proposals have become particularly important in college admissions in the wake of a recent Supreme Court decision which suggested that race-based scholarships may be unconstitutional. A number of institutions, including the University of California and Colorado state university systems, have moved to eliminate programs based on race and ethnicity.

Affirmative action programs are often justified by a desire to have college student bodies, and college graduates, better reflect the diversity of the whole population. Arguments often center on the advantages of diversity in cultural perspectives, and may support the recruitment of students of color regardless of their class background. Affirmative action programs may also be justified on the grounds that there is a need to recognize promising individuals who may not have had the opportunity to develop or demonstrate their abilities because of barriers related to race. Critics of this perspective argue for a broader definition of disadvantage, including socioeconomic status variables other than race or ethnicity.

The analysis discussed here uses data from the National Longitudinal Survey of Youth (NLSY) to simulate the impact of a move from race-based to class-based affirmative action in college admissions. The NLSY contains records of more than 4,000 youth who were 14 to 16 years old in 1979, including an over-sample of minority and low-income youth. Given detailed information on family background and socioeconomic status, the data support an analysis of the impact of alternative definitions of "disadvantage." The analyses reported here are based on a representative sample of youth with standardized test scores above the 20th percentile. Youth with very low scores are not included because they may be less likely to apply for or attend college. For example, 22 percent of the full sample completed a college degree by 1992, compared with only 2 percent of youth with test scores in the bottom quintile. Twelve percent of nonminority and 45 percent of minority youth have scores below this cutoff.

Who is disadvantaged? How can an individual's level of disadvantage be determined? If an individual's membership in a "disadvantaged" category or group is necessary for access to affirmative action programs, at least two issues should be addressed. First, because there is a potential for strategic misrepresentation, eligibility ideally should be based on factors that can be independently verified. Family income, for example, may be verified using tax returns (as is currently the practice for need-based scholarships and loans). In contrast, family dysfunction, instability, or substance abuse, for example, may be indicators of disadvantage, but are more difficult to assess and verify. Second, the potential for affirmative action eligibility standards to affect incentives should be considered. Membership in a particular racial or ethnic group is generally not a matter of personal choice. A white student cannot decide to become African American in order to qualify for affirmative action. Thus while race-based affirmative action programs create incentives to identify one's race and ethnicity, there is very limited potential for them to distort behavior. On the other hand, programs that target individuals based on family income, family structure, residence, or school quality may alter behavior inasmuch as these characteristics are subject to choice and change over time. For example, if programs target children of single-parent families, they create a disincentive to marriage. On the other hand, such programs could be used as a policy tool. An affirmative action policy that targeted individuals from poorly financed schools, for example, might be used to encourage concerned parents to keep their children in such schools rather than opt for private education.

The need for objective, verifiable criteria on which to base eligibility for class-based affirmative action informed the choice of indicators used for this analysis. The simulations illustrated include definitions based on family poverty status, family structure, and mothers' education. One focus of this analysis is on the extent to which alternative definitions of class yield a consistent pool of students eligible for affirmative action in college admission. Such consistency may be essential to implementing and legitimizing a class-based approach. The analysis also illustrates the extent to which race- and class-based programs might include the same individuals.

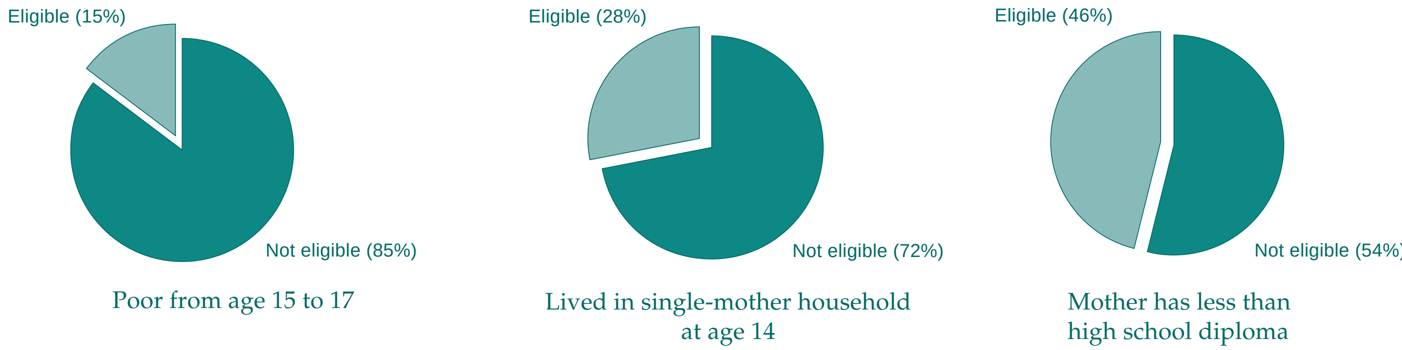
Is class-based affirmative action just another means to the same end?

Racial and ethnic minority youth are disproportionately represented among the socioeconomically disadvantaged. For example, they are more likely to come from families with low incomes, to have parents with low levels of education, and to live with only one parent. Thus minority youth would disproportionately qualify for class-based affirmative action. Is class-based affirmative action just another means to the same ends? Figures 1 and 2 address this question.

By definition, 100 percent of racial and ethnic minority youth are potentially eligible for programs that target racial and ethnic minorities. What proportion of minority youth would potentially be eligible for class-based programs? Figure 1 shows the percentage of minority youth who live in poor families, in mother-only

FIGURE 1

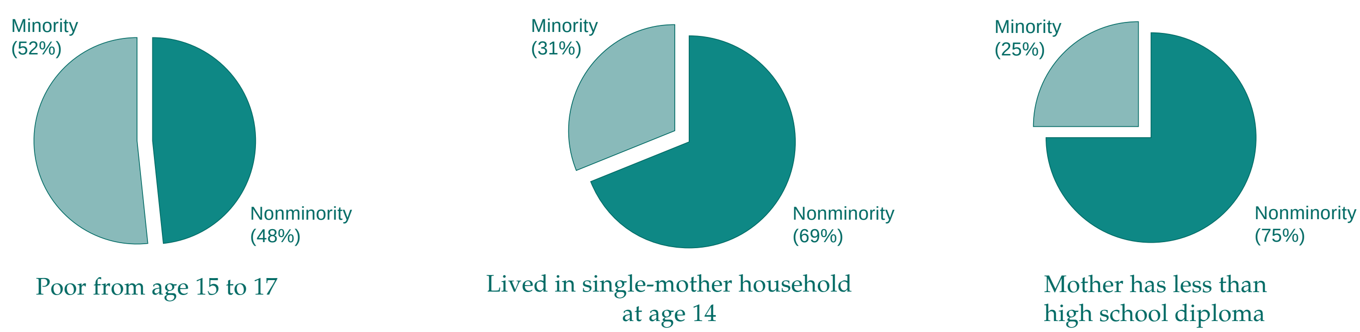
Percentage of Minority Youth Who Would Qualify Under Alternative Definitions of Disadvantage*



* Sample includes all NLSY respondents who were 14-16 in 1979, members of ethnic and racial minority groups, and whose AFQT scores were above the 20th percentile. (N=860)

FIGURE 2

Percentage of Disadvantaged Youth Who Are Minorities



* Sample includes all NLSY respondents who were 14-16 in 1979 and whose AFQT scores were above the 20th percentile. (N=2743)

families, and with a mother with less than a high school diploma. About fifteen percent of minority youth lived in families with incomes below the poverty line in each year from ages 15 to 17. Nearly 28 percent lived in a mother-only household at age 14, and nearly 46 percent had mothers with less than a high school education.

The proportion of minority youth who would qualify for programs based on socioeconomic disadvantage would vary with the criteria used. Poverty status, family structure, and mothers' education are used here to illustrate a general point: many, probably most, minority youth would not be eligible for class-based affirmative action.

Even if most minority youth would not qualify for class-based affirmative action, however, it might be the case that programs targeting the socioeconomically disadvantaged would primarily benefit minority youth. Figure 2 shows the percentage of disadvantaged youth in poor, single-parent, poorly educated families who are minorities. Again, by definition, 100 percent of those eligible for programs targeting racial and ethnic minorities are racial and ethnic minorities. On the other hand, fifty-one percent of all youth who lived in poverty from 15 to 17 years of age were ethnic or racial minorities. A quarter of all youth whose mothers did not complete high school, and 31 percent of youth who lived in mother-only families were racial or ethnic minorities. Thus many, and by some criteria most, youth eligible for class-based affirmative action in college admissions would not be from racial or ethnic groups currently targeted for such programs.

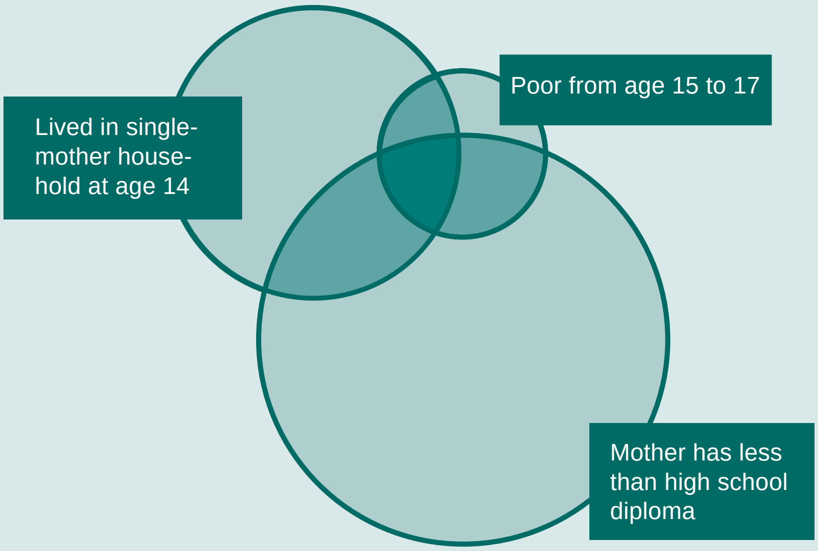
Class-based affirmative action would result in a substantially different pool of eligible individuals than race-based programs. While racial and ethnic minorities are overrepresented among the socioeconomically disadvantaged, the simulation suggests that class-based programs are unlikely to achieve the same ends as race-based programs.

Alternative definitions of socioeconomic disadvantage

Class-based affirmative action may be difficult to implement and justify if alternative definitions of disadvantage result in very different pools of eligible applicants. The simulation results suggest that

FIGURE 3

Youth Who Would Qualify Under Various Definitions of Disadvantage



there is substantial, but far from perfect, overlap in the groups that would be eligible under alternative definitions of disadvantage. For example, among those youth who were poor from ages 15 to 17, 41 percent lived in a mother-only household, and 58 percent had a mother with less than a high school education. Even if eligibility for class-based programs were to depend solely on family income, alternative definitions might yield very different results. For example, while only 3.8 percent of all youth were poor when they were 15, 16, and 17 years old, 18.7 percent were poor in at least one year between 15 and 17.

Figure 3 illustrates the relationship between the pool of youths eligible under three alternative definitions of disadvantage. The circles represent youth from poor families, from mother-only families, and from families in which the mother had less than a high school education. The "Poor 15-17" circle is smaller than the others because only 3.8 percent of youth were poor from ages 15 to 17, compared to 12.2 percent who lived in a mother-only family at age 14, and 25 percent whose mother had less than a high school diploma. Figure 3 illustrates the extent to which the same youth would be eligible for affirmative action programs which used alternative definitions of disadvantage. While there is substantial overlap, each definition of disadvantage would yield a quite different pool of eligible youth. The dark shaded area represents those youth eligible by all three criteria, and includes only one percent of the sample. Figure 3 illustrates the inconsistency in the individuals who would be eligible under alternative definitions, and suggests that implementing a class-based program would be difficult.

Conclusion

The simulations discussed here suggest some of the potential complications involved in moving from affirmative action programs based on race and ethnicity to programs based on socioeconomic disadvantage. The measures of socioeconomic status used here—poverty, mothers' education, and family structure—are limited. Nevertheless, the results are robust to a number of alternative measures of family income, parental education, and family structure, as well as definitions of disadvantage based on school quality.

Class-based programs would not achieve the same results as programs targeting racial and ethnic minority youth: many minority youth would not be eligible and many eligible youth would not be members of racial or ethnic minority groups. In addition, the difficulty of developing criteria by which to identify disadvantaged youth raises questions about the feasibility of a class-based approach. ■

Chernick and Reschovsky, cont. from p. 4

struction directly related to state per-capita incomes, with the highest matching rates being found in the lowest income states. Second, as a completely federally funded program, Food Stamp benefits do not vary across states. The authors of the studies chose to deal with these problems in a number of different ways. It is thus not terribly surprising that the price and income elasticities that emerge from these studies vary a great deal.

We can divide the studies into two groups. The first group tends to find large state government responses to differences in matching rates, small impacts of differences in state income, and relatively little substitution of Food Stamps for AFDC. The second group of studies finds small spending responses to matching rate differences across states, large responses to income differences, and a substantial amount of substitution between AFDC and Food Stamps.

The results of the first group of studies suggest that the conversion from matching grants to block grants for AFDC will have very substantial impacts on total welfare spending. The results of the second group of studies suggest that total redistributional spending by state governments is approximately constant, and hence a decrease in the federal role in these programs will be largely offset by increases in state expenditures.

The results of all the studies suggest that using block grants for the financing of AFDC would lead to a decline in AFDC benefit levels. The magnitude and statistical significance of the average state government responses to changes in matching rates vary substantially. Consequently, the predicted decline in benefit levels or total welfare spending under a block grant also varies substantially.

There is no easy way to reconcile the diverse findings. The work of Robert Moffitt of Johns Hopkins University suggests that the short-run reduction in total benefits to AFDC recipients would be larger than the long-run reduction. The total benefit package would drop immediately as Food Stamps and Medicaid are reduced, and state-financed AFDC benefits would gradually increase to offset this decline. Although Edward Gramlich (University of Michigan), and Steven Craig (University of Houston) and Robert Inman (University of Pennsylvania) predict that although there would be a very large, long-run reduction in welfare spending, initially the effects would be much smaller. Thus despite the predicted difference in the long-run impact of block grants, these studies imply that the changes in AFDC expenditures would be gradual enough that states would not be constrained by maintenance of effort requirements for welfare.

Congressional welfare reform measures, in addition to converting matching grants to block grants, provide states with a great deal of latitude in determining which individuals will be eligible for cash assistance and under what conditions. Stricter work requirements and tightly drawn time limits are explicitly designed to reduce welfare caseloads.

In addition to these explicit efforts to reduce welfare participation, the reduction in welfare benefit levels resulting from the conversion to block grants may lead to a decline in welfare caseloads.

A number of studies have shown that welfare benefits have an impact on welfare caseloads, with low benefit levels discouraging entry onto welfare and encouraging shorter stays, and higher benefits encouraging welfare participation.

In a 1995 paper based on experiences in Wisconsin, Michael Wiseman of the La Follette Institute argues that reductions in benefit levels lead to substantial drops in caseloads. If these findings are correct, then reductions in benefit levels brought about by the conversion to block grants will translate into even larger declines in total welfare spending by the states.

On the other hand, a 1993 Congressional Budget Office study suggests that while welfare benefit levels have little impact on the rate of formation of female-headed families, the number of female-headed families is the major determinant of welfare caseloads. If this study is correct, then any given percentage reduction in welfare benefit levels resulting from the switch to block grants will result in the same percentage reduction in total welfare spending.

It is safe, but perhaps not very interesting, to say that the likely response to a block grant for AFDC lies somewhere between the two extremes found in the literature—reductions of less than 10 percent suggested by one researcher to reductions of 70 to 85 percent argued by others. Given the ambiguity of the econometric evidence, we search for other evidence that might shed some light on state government responses to block grants for welfare.

Other Evidence

Political pundits have suggested that the results of the 1994 congressional elections plus the election of Republican governors in a number of states provide evidence that voters have grown more conservative over time. One likely measure of this conservatism may well be a reduced willingness to spend either state or federal tax dollars for purposes of income redistribution. To the extent that voter preferences for redistribution have in fact changed, the econometric results summarized in the previous section may well provide an underestimate of the likely response of state governments to a switch from matching aid to block grants.

The data in table 1, however, show that combined spending on AFDC, Food Stamps, and Medicaid for AFDC recipients grew (in constant dollars) between 1980 and 1993. During this same period state and local governments' expenditures for AFDC and Medicaid out of their own funds also grew as a share of state personal income. Over the past few years, however, the fact that a number of states have cut their AFDC benefit levels suggests that public support for expanding public assistance for the poor and needy may be diminishing.

Likely cuts in other federal aid to states over the next few years will also increase the fiscal pressure on states to reduce funding for welfare and Medicaid.

We can also look to recent state fiscal behavior regarding other welfare programs as a guide to possible state responses to block grants. The SSI program, established in 1974 to replace a matching grant program, can be viewed as a kind of block grant for the elderly, blind, and disabled. The low level of state supplementation of the federal guarantee provides strong evidence that block grants induce states to cut back their own contributions. The SSI experience is buttressed by the recent decisions of a number of states to drop or severely curtail their general assistance programs. Together, this evidence suggests that if federal requirements and financial participation in AFDC and Medicaid are reduced, state responses to the welfare block grants will also be substantial.

The Race to the Bottom

The phrase "race to the bottom" has been widely used to describe state government responses to block grants for the needy. With the elimination of open-ended matching grants, states would bear the full cost of providing benefit payments to migrants from other states. Thus the enactment of block grants would increase the fiscal penalty faced by states that chose to provide relatively generous welfare and Medicaid benefits.

Conceptually, estimated price elasticities of demand incorporate the effects of interstate competition, but it is possible, as Gramlich has argued, that a kind of chain reaction will be set off as each state in turn reacts to benefit cuts and programmatic restrictions in neighboring states. It is precisely the potential for this type of interstate competition that provides a strong rationale for a major federal role in redistribution.

A strong race to the bottom might be set off by the imposition of block grants as a few states cut their benefits levels sharply or restrict access to benefits. Neighboring states, fearing an influx of destitute people, or perhaps actually seeing an increase in welfare migration, and fiscally exposed as they would be to 100 percent of the increase in cost from any addition to the welfare rolls, respond by quickly matching their competitors' cuts in benefits.

Even with matching grants, individual states have incentives to compete with other states by cutting welfare benefits. It is possible, however, that block grants will increase the incentives for a race to the bottom by providing political cover for all states to ratchet down spending on the poor. The econometric evidence which suggests that welfare benefit levels are highly sensitive to changes in matching rates would be consistent with a race to the bottom. Our assessment of the econometric results, however, leads us to believe that state government responses to changes in matching rates will be more modest. If we are correct in this assessment, then a race to the bottom would be possible if state responses to changes in grants are asymmetrical. That is, whereas lowering the cost of welfare through open-ended matching grants leads to a relatively small increase in benefits, raising the cost through block grants leads to a much bigger cut in benefits.

For these asymmetric responses to grants to exist, one must argue that most states that are currently providing relatively high levels of benefits are, in fact, being more generous than the majority of their residents desire. Since the political process is often slow in responding to changes in citizen preferences, a gap between state policies and citizen preferences could arise if preferences (in this case for less generous benefits for the poor) have recently changed. Block grants might well serve as a kind of collective signal to all states that they can reduce welfare benefit levels to reflect more closely changed public attitudes towards the poor. Reduced benefits would thus reflect both the increase in tax prices associated with block grants and the change in preferences.

Is there any evidence to support the hypothesis that benefit levels are out of line with citizen preferences? If there has in fact been an increase in interstate competition and a reduced willingness on the part of voters to support the poor and needy, we should be observing not only a reduction in the average level of welfare benefits, which we have seen, but also sharper benefit reductions in high-benefit states. If this pattern of benefit reduction is occurring, over time there would be smaller differences among states in welfare benefit levels. The data, however, tell a different story. The variation across states of AFDC maximum benefits for three-person families has not declined. In general, states that provided high benefits in the 1970s continue to be high-benefit states in the 1990s. Moreover, radical changes in welfare policy, such as those occurring in Wisconsin and Michigan, suggest that states are able to move rapidly away from the status quo.

Discussions of the race to the bottom often start with the assertion that higher welfare benefits serve as a magnet in attracting welfare eligible families from other states. Because people move for many reasons, and higher welfare benefits may be correlated with some other attractive characteristics of particular states, research on this issue has been inconclusive. Research in the 1980s finds no evidence that rates of AFDC recipiency are higher if a state's benefit levels are high in comparison to its neighbors.

A number of studies find that state benefit levels are linked to those of surrounding states. Even though migration effects do not appear to be very important in recent years, this finding suggests that states feel constrained to set benefit levels so that they are not too far out of line with their neighbors. The link between benefit levels in neighboring states implies that benefit level reductions induced by the price increase under the block grant will be reinforced by competition between states. However, this linkage will probably not be strong enough to offset the forces that will lead to a widening of benefit level differentials between states under the block grant. This point is discussed more extensively below.

Summary

Putting together all the evidence we have referred to, we see two important changes occurring: (1) a reduction in welfare benefits to the poor, and (2) a widening of differences in benefit levels from state to state.

Reduction in benefits

We estimate that over the course of several years, states will respond to the imposition of block grants for welfare by reducing benefits levels by about 20 percent. Total welfare spending will decline by more than this, perhaps as much as 30 percent, as the number of beneficiaries is reduced. The degree of substitution between a now much more optional Medicaid program and cash assistance will vary across states.

A switch to block grants will put Medicaid and welfare on equal footing with other state programs.

Limited econometric evidence on the Medicaid price elasticity suggests that it is as least as great and possibly greater than the AFDC price elasticity. Federal mandates extending Medicaid coverage have been quite instrumental in driving up the costs of Medicaid. Hence, a relaxation of mandates in both programs would act to free up more resources from Medicaid than from AFDC. On the other hand, health care providers can be expected to exert considerable political pressure to minimize reductions in Medicaid coverage. Whatever the overall size of the cuts in Medicaid, we can expect that the reductions in benefits will be greater for AFDC recipients, the group with the least political power, than for the elderly and disabled. Nursing home providers are likely to be more successful in maintaining their shares of a smaller total pie of Medicaid dollars.

Widening of interstate benefit differentials

Welfare benefit levels vary substantially across states. For a three-person family in 1994, combined AFDC and Food Stamp benefits ranged from $415 in Mississippi to $1,208 in Alaska. Even after adjusting for cost-of-living differences among the states, these benefit differentials remain large.

The conversion from matching grants to block grants for the major federal entitlement programs is likely to lead to a further widening of these benefit levels across states. The elimination of matching aid will result in the largest increases in the tax price of AFDC and Medicaid in states currently benefiting from the highest federal matching rates. As matching rates tend to be highest in states with the lowest benefit levels, in the long run the conversion to block grants is likely to increase benefit differentials among states. In the lowest-income states, tax prices will more than triple. The responses of these states may well be to eliminate completely the expenditure of state funds on welfare and Medicaid. One indication that some states may choose to completely eliminate state government-provided funds for welfare is the recent comment by an Alabama legislator that "we want to see 100 percent of the welfare money" coming from the federal government.

The fact that Food Stamps provide a uniform federal grant to all states serves to equalize cash benefit levels across states. Conversely, should Congress decide to reduce Food Stamp benefits, interstate benefit differentials would widen.

One consequence of the proposed conversion to block grants is that differences across states in attitudes towards government assistance for the poor and needy will play a larger role in determining state policies. On average, the studies cited in this article are able to "explain" only 25-30 percent of the variance across states in welfare and Medicaid spending. Differences in tax price and in-state income explain an even smaller proportion of the variance. As tax prices will be identical once block grants are adopted, differences across states in attitudes concerning public assistance for the poor will become relatively more important in explaining interstate differences in welfare spending.

Recent research by Chernick on interstate differences in tax progressivity reinforces the conclusion that idiosyncratic and historical factors play a very important role in explaining interstate differences in the income redistribution policies of state governments. It is our assessment that these factors, combined with the differential tax price increase, will be sufficient to offset the forces leading to a race to the bottom.

Although we predict that in the long run the interstate variation in welfare and Medicaid benefit levels will rise, it is possible that in the short run, these interstate differentials could actually diminish. As long as state governments are not permitted to shift welfare and Medicaid block grants to other uses, the decline in total welfare and Medicaid spending will be relatively modest in states where the federal government currently finances a large share of these expenditures.

In these states, the reduction in total welfare and Medicaid spending cannot exceed the state governments' current contribution to spending. Thus in low-benefit states such as Mississippi, a decision to completely eliminate state-financed spending on welfare and Medicaid would in the short run limit total spending reductions to around 20 percent (Mississippi's current share of state Medicaid and AFDC spending).

Strictly enforced maintenance of effort provisions would further restrict the ability of states to reduce spending in the short run. In the long run, however, inflation weakens the effectiveness of these nominal dollar constraints on state spending decisions. Thus over time, the result of a switch to block grants will be a widening of interstate differences in welfare and Medicaid spending.

The Wisconsin Experiment

In Wisconsin, Governor Tommy Thompson recently signed new legislation which eliminates the current welfare system and with it the federal guarantee of cash assistance to poor families. In its place, Wisconsin has established Wisconsin Works (W-2), a new plan which mandates that current welfare recipients participate in work programs and accept minimum wage (or in some cases subminimum wage) jobs as a condition for receiving public assistance.

Public assistance will be provided in the form of subsidized health insurance and child care, and a basic monthly grant for those who qualify for "community service" jobs. The state will also pay employers a subsidy of up to $300 per month if they provide "trial jobs" for eligible individuals. The program restricts individuals to spending no more than two years in community service and trial jobs. The plan also places a five-year lifetime limit on the receipt of any type of subsidized employment.

Even with matching grants, individual states have incentives to compete with other states by cutting welfare benefits.

It is by no means clear that Wisconsin, or other states, will be able to achieve the dual goals of placing most current recipients of public assistance in permanent jobs while simultaneously reducing welfare spending. Evidence from a large body of research on the effectiveness of programs designed to increase employment among welfare recipients suggests that it is extremely difficult to move a large number of people from welfare to work, especially when funds for such an effort are limited.

In Wisconsin, both a substantial investment in job training and a very strong economy have contributed to the well-publicized recent declines in the welfare caseload. Those remaining on welfare may well prove to be much more difficult and more costly to place in permanent jobs than those who have recently left the rolls.

The Thompson administration has estimated that W-2 will enable a large number of low-income individuals to make the transition from subsidized into unsubsidized employment. If the administration's assumptions about the cost of operating W-2 are correct, and if individuals move from subsidized to unsubsidized employment at the pace projected by the administration, then, according to estimates by the Wisconsin Department of Health and Social Services, the cost to the state of operating W-2 will steadily decline.

It should be emphasized, however, that W-2 is a major, some would say radical, reform in the way Wisconsin provides economic assistance to the needy.

The success of the program in moving people from public assistance to permanent employment, and the cost estimates of achieving this goal, are based on a large number of untested assumptions. One of the central unanswered questions is whether there will be enough unsubsidized jobs for those now on welfare. If there are not sufficient jobs, or if other assumptions prove overly optimistic, then the cost of operating W-2 will rise.

It appears highly unlikely that Wisconsin will be willing to increase its fiscal commitment to W-2. Though Wisconsin has spent generously on welfare in the past, recent policy changes will restrict amounts available in the future. As a means of providing residents with property tax relief, the legislature has recently made a commitment to finance two-thirds of the cost of K-12 public education from state funds. This promise of property tax relief will require an increase of nearly 33 percent in state spending on public education. In addition, as part of the state's efforts to fight crime, it has instituted longer sentences and restricted the use of parole.

These policies have resulted in an increase in the number of inmates and a rapid rise in the cost of corrections. Based on current projections, the cost of corrections is likely to rise, at least over the next five or so years, at a rate several times the rate of inflation.

Governor Thompson has repeatedly stated that Wisconsin will not respond to block grants for Medicaid and welfare by reducing its commitment to protect its most vulnerable citizens. A switch to block grants, however, will put Medicaid and welfare on an equal footing with other state programs. There will be strong political pressure on the legislature and the governor to deliver on their promises to provide property tax relief and to be tough on crime. Given the strong positions against raising taxes articulated by the governor and many members of the Wisconsin legislature, major tax increases appear highly unlikely.

Given the competing political imperatives, it appears very likely that despite statements about the importance of protecting the state's needy populations, policymakers in Wisconsin will seek reductions in Medicaid and welfare spending. ■

Policy Analysis in Milwaukee's Division of Budget and Management

For a course project in Public Affairs 869 this spring (taught by Professor Michael Wiseman), students developed policy analyses of four issues that concern officials in Milwaukee. In the brief time that they had, the students saw that policy analysis involves not only measurement and diagnosis, but also questions of implementation and management.

Each project team worked throughout the semester with its own liaison from the Division of Budget and Management. At the end of the semester, the teams presented their findings to Mayor John Norquist and his staff. Copies of the full reports of each project are available upon request from the La Follette Institute's Publications Office.

Wisconsin's Expenditure Restraint Program

Students proposed and evaluated three alternatives to the current system, alternatives that might improve the program's ability to reward those municipalities that exhibit the greatest budget restraint.

Sidewalk Repair

In this project, evaluators proposed new survey and record-keeping methods to determine the "acceptable" level of sidewalk defects, the rate at which they might be repaired, and the amount that residents are willing to pay.

On-street Parking

Parking regulation is highly decentralized in Milwaukee, so in this project, students recommended ways to coordinate and improve enforcement without inflicting high costs normally associated with centralization or transfer.

Animal Control Services in Milwaukee County

When the current contract with the Wisconsin Humane Society expires in 1997, Milwaukee-area governments will need to have a new plan in place for capture and pickup of animals, pound management, and cost-sharing. This analysis suggests a variety of options. ■

Teaming Up on Gangs

Skornicka Seminar for Communities

In most Wisconsin communities gang violence is still an infrequent, but feared, visitor. A seminar in April brought together representatives from seven communities in Wisconsin—elected officials, school personnel, law enforcement officers, and representatives of churches, businesses, and nonprofit organizations—to develop a team approach to gang activitiy before it becomes commonplace. The seminar was the second in the Skornicka series for local officials, organized by the La Follette Institute's Center for State and Local Governance, directed by Dennis Dresang.

The seven communities represented were Eau Claire, Green Bay, Neenah, Racine, Waukesha, Amery/Polk County, and Eagle River/Vilas County. Organizers at the La Follette Institute regret that they could not accommodate all the individuals and communities who expressed interest in the seminar, but they expect to repeat the program in spring 1996 for other communities.

In this issue of the *La Follette Policy Report*, two components of the seminar's proceedings are presented: (1) a report of the address by keynote speaker Dr. Howard Spivak; and (2) a directory of resources on the issue of gangs and teen violence.

The program for the seminar is reproduced below; the report of the keynote address and a list of resources appear on the pages that follow. Copies of the full proceedings of the seminar are available upon request (free) from the La Follette Institute's Publications Office.

PROGRAM

Deadly Consequences: Youth Violence and Gangs

Dr. Howard Spivak, Tufts University

Gangs Are Here—and in Your Town, Too

Helen Johnson, Mayor of Stoughton

Hometown Problems, Hometown Solutions

Richard DeBroux, Mayor of Appleton
Stephen Blue, Dane County Intervention Program
Marc Wehrs, La Crosse Tribune

Troubled teens and families and communities—and gangs—are present in every part of Wisconsin. In this session panelists share their experiences and suggest ways for community leaders to address the issues.

Hometown Partnerships

Carol Lobes, Wisconsin Clearinghouse
Fritz Grutzner, Meridian Group
L. Kenneth Haynes, Dane County Affirmative Action
Susan Hobart, Heartland Properties

What happens when business owners, real estate developers, academic experts, church leaders, and neighborhood advocates get together? Panelists offer ideas that every community can adopt.

What Can the State Do?

James Doyle, Wisconsin Attorney General

Schools and Streets and In Between

Kathy Sorenson, Project HUGS (absent)
Charles Tubbs, Beloit Police Department

Police and school officials often approach problems differently. Leaders of this session discuss ways to focus together on gangs.

Identifying Resources and Strategies

Team discussions and planning

Deadly Consequences—Youth Violence and Gangs

A Report on Dr. Howard Spivak's Keynote Address

Inga Glodowski

Inga Glodowski is a graduate student in the La Follette Institute's master's degree program. She served as recorder for the two-day Skornicka Seminar for Communities that focused on the issue of gangs and teen violence. Copies of the full proceedings are available upon request from the La Follette Institute's Publications Office.

Dr. Spivak has been involved in youth violence prevention for approximately fifteen years. His activities include co-founding the first community-based public health violence prevention program in the nation, the Boston Violence Prevention Program; developing the Office of Violence Prevention for the Commonwealth of Massachusetts; publishing numerous articles about violence prevention among youth; participating in many studies and evaluations of youth violence prevention efforts; and instituting the first emergency room surveillance initiative on weapon-related injuries in the United States.

He is currently Chief of the Division of General Pediatrics and Vice President for Community Health Programs at the New England Medical Center in Boston. He speaks regularly on youth violence prevention strategies and works with communities throughout the nation to develop violence prevention programs.

To illustrate the problem of youth violence, Spivak began his remarks with a personal story. Some time ago, his nephew was violently attacked by three classmates. The aggressors sought to punish the nephew for alleged flirting with another student's girlfriend. In consultation with the victim and his family, police advocated against legal means of recourse. Off the record, they strongly hinted that he should take matters into his own hands. Spivak's nephew took the hint and rallied sixty friends to confront the aggressors. As it turned out, the girl involved made up the entire story to inflame her boyfriend's jealousy. Luckily, no one was severely hurt in either attack.

Spivak's nephew does not reside in the poverty-stricken inner city, but is from an affluent white suburban community. This story illustrates that juvenile violence is not confined to inner cities. Today, youth violence extends to communities of all sizes, colors, and fortunes.

Spivak explained that in the past, seminars and conferences about juvenile violence prevention failed to draw sizable crowds. Most public officials did not recognize the spread of juvenile violence as a serious problem. Now, there is widespread recognition and growing consensus for action. Why?

Statistics abound. Spivak stated that the United States has the fifth highest homicide rate in the world. In fact, the American homicide rate is five to fifty times higher than in most other countries. Homicide is the leading cause of death for African American males aged 15 to 34. Violence is particularly devastating for the African American community because African Americans are overrepresented in poor communities. Violence is endemic to poverty. Moreover, Spivak added, violence is a phenomenon of young people. Murder is the second leading cause of death among teenagers. Increasingly, murders are committed by teenagers. In the twenty-first century, more children will be killed by guns than cars.

In the twenty-first century, more children will be killed by guns than cars.

Spivak suspects that injuries end up in emergency rooms four times as often as they are reported to police. Consequently, he urges communities to rethink how to effectively deal with the problems posed by violence. The criminal justice system alone, he said, cannot handle these problems. Indeed, the Boston Police Commissioner confessed to Spivak that even with endless resources, his agency could not solve the problem of youth violence in Boston on its own.

Spivak identified four elements of juvenile violence. First, he explained, violence is learned behavior. Children learn violence from TV where they watch 12,000 homicides and assaults each year. Children learn violence at home as they witness spousal abuse and experience child abuse. And children learn violence in schools; twenty five percent of students carry weapons in their backpacks every day. Second, Spivak stressed that violence is intimate. Violence occurs in bars, at parties, and in bedrooms between people who know each other. Violence occurs when young men are drunk, arguing, and have access to a weapon. Indeed, fifty percent of all homicides occur during arguments. Third, Spivak pointed out that individuals carry out violent acts using guns. He noted that the sole purpose of handguns is to hurt other human beings. In fact, some ammunition for handguns is more lethal than ammunition for military weapons. Children obtain guns from parents, friends, and on the streets. Fourth, Spivak explained that violence poses a particular problem for adolescents.

Children do not learn to be violent during adolescence, but the processes of adolescence render children particularly vulnerable to violence. For example, adolescents are risk takers. They dive in before checking to see if the pool has water. Further, adolescents are narcissistic. Narcissism makes adolescents extremely sensitive to loss of objects, insults, and rumors. Correspondingly, adolescents are susceptible to peer pressure. Too often, the dynamics of peer pressure ensure that teenagers would rather be dead than risk losing face in front of their friends.

Most important, adolescents are herd animals. The herd helps adolescents make the transition from families to the larger world; it fulfills the need for peer approval. According to Spivak, when adolescents are future oriented, they join social groups. However, if adolescents are frustrated and alienated, they join antisocial groups. Both types of groups share rituals, secrecy, uniforms, initiations, and hierarchies. The big difference is that antisocial groups are characterized by violence, whereas social groups are not.

Spivak warned that the numbers that relate to gangs and violence are vastly overstated. Indeed, only one percent of homicides are gang-related. The problem of gangs, however, is a prominent and tangible issue at the community level. In this way, gangs are a point around which communities can rally. Still, it is important for communities to recognize that gangs are but one component of the larger problem of juvenile violence.

Spivak explained that gangs formed in the United States in the 1920s and 1930s. Then, poor urban white ethnic groups came together to fight for turf. As poverty became increasingly concentrated in the inner city, juveniles turned to gangs for money and fellowship. In the 1960s gangs became virtual institutions in urban areas.

Spivak identified three types of gangs. *Scavenger gangs* are characterized by weak leadership, poor organization, and erratic behavior. They exhibit scary and unpredictable patterns of violence. *Territorial gangs* are focused on racial or ethnic associations. They are characterized by formal initiations, uniforms, and identifying labels. Territorial gang violence is directed toward rival gangs. *Corporate gangs* are characterized by hierarchical organization, discipline, strict behavior codes, and drug trafficking. These gangs resemble the Mafia in that they use violence to do business. Spivak cautioned that one type of gang rarely evolves into another. Therefore, he explained, the strategies that are appropriate for stemming gang violence vary.

Ultimately, it is important to recognize that because we understand the mechanisms of violence, we can end it. Violence is a behavioral problem that develops out of social and economic environments. In this way, Spivak argued, the problem of violence is not that different than other public health problems. Smoking used to be a popular, socially acceptable behavior, until society understood its consequences. Likewise, public outrage eliminated the "one for the road" mentality associated with drunken driving. Juvenile violence can be stopped too, he continued, if social forces ban together to alter the social circumstances that perpetuate it.

Spivak urged broad-based community action to prevent juvenile violence. He envisions an approach in which criminal justice sets the behavioral boundaries; parents and educators teach new behavior; human service providers supply social supports to families; schools become community centers; and religious institutions provide positive alternatives for youth and families. Together, these institutions can create an environment in which families are supportive and children learn to succeed.

To illustrate the enormous capacity of youth to persevere, Spivak concluded his remarks with another story. Roland grew up in Los Angeles. He moved to Boston because a violent incident almost ended his life at age 16. One day, Roland and his friends got into an argument with another group of young men. In the heat of the moment, a member from the opposing side pointed a gun at Roland.

Violence is intimate. . . . It occurs between people who know each other.

He said, "You get out of my face or I'll shoot you." Spivak explained that even though almost everything Roland had been taught told him to stay and face the boy and the gun, Roland turned around and walked away. Later that day the two groups played basketball together and no one could remember what the dispute was about. Roland is now a peer counselor in Boston. Had he not turned around that fateful day, Roland would probably be dead. In Spivak's eyes, the lesson is that if Roland can do it, others can, too.

Questions

How do sports and the media contribute to youth violence?

On one level, Spivak explained, sports is an effective tool to teach interpersonal and social skills. It's unfortunate that when money gets tight, sports are often among the first programs cut. On another level, sports and television stars are popular heroes. As such, they have a certain responsibility to model appropriate behavior on the playing fields and TV screens. Society sends a message to kids that violence is normal, violence solves problems, and violence helps you to get what you want. Studies show that when children see violence they imitate and incorporate it in their behavior.

How do European schools teach interpersonal and social skills?

Spivak explained that in Europe, the first few years of school are focused around interpersonal programming. Social skills can be taught using planned or unplanned lessons. Planned curricula tend to work more effectively. He added that in this country high school peer mediation curricula work well, but the basic social skills need to be taught well before children reach adolescence.

Children are at risk for violent behavior if they are exposed to violence before they are old enough to enter schools. Can schools provide helpful interventions for those children?

Spivak urged educators to contact the Education Development Center in Newton, Mass., for information along these lines.

Where can citizens find statistics about violence?

Spivak explained that statistics can be found in Dr. Deborah Prothrow-Stith's book *Deadly Consequences*. (Harper Collins, 1991). Statistics can also be obtained from Mark Rosenberg at the Center for Disease Control in Atlanta, from the FBI, and local police.

What are some suggestions for criminal justice interventions?

Spivak suggested that community policing is an effective tool for juvenile violence prevention. Liaisons between police and communities foster opportunities for collaboration and cooperation between law enforcement and average citizens. He added that first offender diversion strategies are useful. These programs intervene the first time children exhibit violent behavior.

Most poor women and girls have no time for parenting classes. They are dealing with problems of survival. How can public health officials intervene?

Spivak urged changes in programming. Supporting families in need is a problem too large for any one organization to handle. Programming needs to encompass an array of positive opportunities for young families.

What is an appropriate way for communities to evaluate violence prevention programs?

Spivak explained that homicide rates are not good measures of violence for a number of reasons. Instead, communities should monitor violence in schools. Also, communities should survey human service providers to determine what sorts of techniques they use to evaluate their programs. Public health officials and academics can specify effectiveness measures. He also invited communities to contact Jennifer Friday at the Center for Disease Control's Injury Center.

Does the practice of isolating children with learning and emotional problems make these kids even more vulnerable to violence?

Ideally, he said, schools should enable a diverse population of children to succeed.

Will uniforms help children fit in?

Uniforms work but they provide only part of the solution to a larger problem. Spivak explained that children need structure. Some schools use landscaping to shape social interaction. The supplement to the October 1994 issue of *The Journal of Pediatrics* describes a variety of community-based school and violence prevention programs.

Does lack of self-esteem cause children to commit violence?

Lack of self-esteem contributes significantly to the problem of juvenile violence, but juvenile violence is a multifaceted problem.

How can communities provide lifelines to troubled youth?

Spivak explained that resiliency is the key to violence prevention. Children who can be with healthy, nurturing adults can envision positive options. Strong parental relationships allow kids to feel good about themselves. Mentoring programs work well in this regard. Also, ethnocentric programs in which African American males work with African American boys yield positive results. In the end, Spivak urged communities to identify the talent in their locales and direct that talent toward specific problems. It's important to recognize that even communities that outwardly appear impoverished are actually rich in talent and resources. ■

FOR FURTHER INFORMATION

The Wisconsin Clearinghouse, a unit of University Health Services at the University of Wisconsin–Madison, produces a wide range of prevention and education materials for schools, families, and communities. Their toll-free number is: 1-800-322-1468. In his remarks at the seminar, Attorney General James Doyle also invited local leaders to contact the Office of the Attorney General for technical assistance in gathering information.

The list below includes works by scholars and practitioners in various fields concerned with gangs and juvenile violence and represents only a small portion of recent research available.

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