PROMISE OF WELFARE REFORM: DEVELOPMENT THROUGH
DEVOLUTION ON INDIAN RESERVATIONS

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Abstract

In the 1990s, devolution of authority from federal to states and local governmental institutions in the administration of social welfare policies, programs, and services is seen as an answer to alleviating poverty among low-income families with children. To this effect, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 has granted an option to tribal governments to administer their own Temporary Assistance for Needy Families (TANF) services. In this article we provide findings from early experience of tribes within Arizona in their attempt to self-administer TANF services. We collected and analyzed data from multiple sources, including a review of documents provided by the state and tribal members, in-depth telephone interviews with service providers on 15 of the 21 reservations, and site visits to four reservations at which we conducted group interviews with state and tribal social service providers. We found that under the 1996 welfare legislation, tribal governments have greater authority and flexibility to self-administer welfare policies on their reservations, but they are lacking adequate financial and technical resources to exercise these responsibilities effectively. One unintended positive outcome of this legislation is that communication, coordination, and collaboration among tribes, between tribes and states and tribes and the federal government has increased.
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INTRODUCTION

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (Public Law 104-193) put an end to Aid to Families with Dependent Children (AFDC) as an entitlement to individuals. The PRWORA reflects the public sentiment that the able-bodied poor who are of working age should change their reproductive and parenting behavior and be engaged in productive employment. The 1996 federal welfare law replaced AFDC, emergency assistance, and the Job Opportunities and Basic Skills (JOBS) programs with the Temporary Assistance for Needy Families (TANF) block grant. According to this law, adults can receive cash assistance for a maximum of five cumulative years in their lifetimes (or less at state option) and must start working after two years of receiving assistance. States may

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1 However, JOBS funding will continue under the Native Employment Works JOBS (NEW JOBS) program on American Indian reservations where JOBS programs have previously been administered.

2 The PRWORA of 1996 has exempted adults residing on reservations with populations of at least 1,000 and unemployment rates of at least 50 percent from the five-year time limit. The federal Balanced Budget Act, passed on August 5, 1997, has modified the PRWORA of 1996 by removing the requirement of “population of at least 1,000” and has exempted adults residing on reservations of any size with 50 percent or higher unemployment rates from the five-year time limit (The U.S. Congress, 1997).

3 States may exempt up to 20% of their caseloads from the five-year benefit limitation in addition to the five-year benefit limitation exemption of American Indians residing on reservations with 50 percent or higher unemployment rates.

4 The state of Arizona has opted to provide benefits to adults for a maximum of 24 months within the first 60 months and to waive the 24-months’ time limit for adults
require community service as early as two months after public assistance. The law also requires that by FY 2000 states put 40 percent (50 percent by FY 2002) of single parents receiving cash assistance in work programs for at least 30 hours per week.6

Another dimension of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 is Section 412 which has bestowed power to tribal governments that wish to administer their own public assistance programs (U.S. Congress, 1996). The legislation authorizes the U.S. Department of Health and Human Services (DHHS) to provide direct funding to tribes who wish to design and operate their own TANF services. Tribes can negotiate directly with the Secretary of DHHS and design and implement TANF services to fit their own unique conditions. Many tribes see this as an opportunity to protect tribal families with children by shifting the focus of social services from temporary and rehabilitative to long-term and development-oriented programs and services. There is a growing interest among tribes to administer TANF services on their own instead of allowing states to administer the services on reservations. The impact of the 1996 welfare legislation on families with children is likely to vary

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residing on reservations with 50 percent or higher unemployment rates. While Arizona continues to use the 60 months’ lifetime limit, an adult recipient would have to collect these benefits over a period of at least 11 years (a maximum of 24 months of benefit within the first five years, 24 months of benefits in the following five years and 12 months of benefit in the 11th or last year). Arizona used the Bureau of Indian Affair’s 1995 Labor Statistics to determine unemployment rates on reservations and has exempted from the two-year time limits all adults residing on Navajo, White Mountain, Hopi, Tohono O’ Odham, San Carlos, San Juan Paiute, Camp Verde and Havasupai reservations.

5 Work activities recognized under the legislation include subsidized and unsubsidized employment, community service, job search and job readiness program participation, jobs skills training, on-the-job training, secondary school education, and vocational education for up to 12 months.

6 Twenty hours per week for single parents with a child under age six.
depending upon who administers the services—the state or the tribe. In this article we examine the following questions:

1. What is the response of tribes to the devolution of authority to administer TANF services from federal and state governments to tribal governments?
2. How have tribal councils prepared themselves to face the consequences of the 1996 federal welfare legislation?
3. Of the tribes who plan to administer TANF services on their own, how have they positioned themselves to undertake a task of this magnitude? And, 
4. What are the barriers to tribal administration of TANF services? How can these barriers be reduced?

To answer these questions we collected and analyzed data from multiple sources: We reviewed documents provided by the state and tribal members, interviewed social service providers of 15 of the 21 reservations by telephones, and conducted group interviews with state and tribal social service providers on four reservations.

BACKGROUND

Devolution of welfare administration authority from federal government to tribes is based on two concepts: First, it is widely argued that the federal government is too far removed from local problems and that local governments know what is best for their local community. Second, American Indians have unique problems because of their geographic isolation and their unique culture, and tribal members are better positioned to address such problems. In the following section, we (a) review literature supporting devolution of authority over welfare administration from federal government to local governmental units and (b) provide a historical overview of the administration of social
services to American Indians and legislations that have strengthened devolution of power to administer welfare programs from the federal to the tribal level.

**Devolution of Welfare Administration Authority from Federal to State and Local Governments**

In the United States, until the Great Depression, providing relief to the poor was the responsibility of local governments, and local poor relief systems were firmly rooted in the values of English poor laws (Brown, 1940). During the Great Depression, states implemented various work relief programs (with some funding from the federal government) primarily to reduce high rates of unemployment among able-bodied working age populations and to boost the economy (Brown, 1940; Charnow, 1943). It was after the passage of the Social Security Act of 1935 that the federal government began sharing responsibility with states to tackle poverty through income transfer programs and other support services including federal work programs, and training and manpower development programs.

Aid to Families with Dependent Children (AFDC) (initially termed Aid to Dependent Children) was passed as a part of the Social Security Act of 1935. This program was the first federal effort mandating states to encourage the care of dependent children in their own homes or in the homes of their relatives by providing assistance directly to families. Later, in 1964, Lyndon B. Johnson’s War on Poverty initiated several federal level in-kind programs for poor families, including Medicaid and Food Stamps. However, by the end of the 1980s, the federal government’s role in administering poverty alleviation programs began receiving serious scrutiny.
Since the 1990s devolution, or the shifting of power to alleviate poverty from the federal government to states and states to local governmental units, has become more common (Borut, 1996; Corbett, 1997; Goldberg, 1996; Kingsley, 1996). Supporters of devolution argue that the governmental units that are closer to the people (whether state or local) are more knowledgeable about and are better positioned to respond to people’s needs and challenges with greater imagination and insight (Borut, 1996; Buckley, 1996; Kingsley, 1996). The federal government is perceived as bureaucratic, inefficient, and distant in providing the welfare needs of people. Those who oppose devolution contend that block granting of welfare programs to states is based on inaccurate premises and will hurt the poor and the nation at large (Caraley, 1996; 1998; Donahue, 1997; Goldberg, 1996; Kuttner, 1995; Steuerle & Mermin, 1997; Weaver, 1996). Still others have mixed views regarding the merits of devolution of welfare programs to the states (Gold, 1996; Nathan, 1997; The Economist, January 3, 1998).

As PRWORA shifted the authority to administer social welfare policies and programs from federal government to the states and tribes, the states and tribes in turn will pass the administration authority on to counties and tribal political subunits (Nathan, 1997; The Economist, January 3, 1998). Some states (e.g., California, Colorado, Minnesota, New York, Ohio and Wisconsin) have already begun giving their counties authority to design and administer their own welfare services (Gallagher, Gallagher, Perese, Schreiber, & Watson, 1998; U.S. GAO, 1998). Among tribes, the Navajo Nation recently passed its “Local Governance Act” that will allow its local chapters to make decisions over local matters including administration of the chapter welfare programs and services (The Office and Commission on Navajo Government Development, 1998).
Current eagerness to devolve authority from federal to local governmental units answers years of tribal pleas for self-governance and sovereignty. Historically, tribal governments have sought to self-administer tribal social and economic development programs. The federal government, on the other hand, has resisted giving tribes the responsibility and the resources needed to self-rule. A brief history of the administration of social services on American Indian reservations will document the tribes’ ceaseless desire to self-rule.

**A Historical Overview of the Administration of Social Services to American Indians**

Early relations between the United States government and the American Indian Nations were based on treaties that recognized and respected tribes as sovereign nations. Based on a relationship of trust, the federal government provided goods and services (e.g., clothing, farming equipment, technology and educational services) in exchange for land and friendship (O’Brien, 1989). However, as the American Army was strengthened and the colonialists’ need for allies and friendship was reduced, the relationship between sovereign nations changed to confrontation, and an effort was made to assimilate them into the dominant western culture (O’Brien, 1989).

Fear of losing their culture and land led the Indian nations to cede large tracts of land they had formerly occupied in return for land specifically reserved for them. Indians wanted their own reserved land in order to isolate themselves from the encroaching western culture. They ceded land in return for a promise of protection of their remaining new land and their tribal existence.

Most of the reservations were established in the 1850s. However, because reservations could not provide adequate resources for self-sufficiency, tribes became
dependent on the federal government for food, education, clothing, shelter, health care, and other services. At the same time, the federal government attempted to assimilate the American Indians by expanding the number of off-reservation boarding schools and removing American Indian children from their families (Tyler, 1973). The U.S. government took the responsibility for providing social services from the tribes and gave it to the Bureau of Indian Affairs (BIA).

In 1887, the U.S. government, in another attempt to assimilate American Indians into the dominant culture, began a land allotment program, offering land to individual American Indian families. This program resulted in a reduction in the amount of land held by American Indians and the further destruction of tribal governments. Since owning and farming land was foreign to American Indians, many of the families sold the land allotted to them. American Indians lost two thirds of their 150 million acres of land through the allotment program (Tyler, 1973). The land allotment program further diminished the authority of tribal governments. The structure of the program was such that the BIA provided goods and services directly to individual Indian families, ignoring existing tribal governmental structures.

The increased provision of federal social services for American Indians was not spelled out concretely in U.S. law. The role of the BIA in the provision of social services was determined under a variety of treaties and acts, and each reservation had different sources of funds. The lack of a uniform policy for American Indian social services created confusion about the role of the BIA. This changed in 1921 with the Snyder Act, which placed all federal Indian services under the Bureau of Indian Affairs. This act "institutionalized" social services to American Indians and became the basis for the
provision of all social, health, and education services in Indian Country. Later, the Meriam Commission of 1928 reported the failure of the allotment program and indicated that the BIA control on reservations prevented Indians from attaining self-sufficiency (Deloria & Lytle, 1983). This report led to the Indian Reorganization Act of 1934, which reestablished the rights of American Indians to their own governments. The act formally ended the allotment program, prevented the transfer of land to anyone but the tribe itself, allowed tribal councils to negotiate directly with the federal, state, and local governments, and reduced the power of the BIA. The act also enabled the development of tribal governments by providing official tribal recognition, increasing services and funding, and creating an economic development program specifically for tribes. From this point forward, tribal governments began developing public works programs in health, education and welfare (O’Brien, 1989).

In 1924, American Indians were granted U.S. citizenship; as they became citizens of the states in which they resided, they became eligible for general services entitled to other citizens of the state. States historically have been reluctant to recognize that American Indians, as state citizens, had rights to certain benefits. This reluctance was due to the initial federal responsibility for dealing with the Indians and the constantly changing polices regarding the individual status of Indians (Deloria & Lytle, 1983).

It was not until 1954 that the courts finally enforced tribal member rights as “equal to those enjoyed by all other citizens and residents of the state” (Deloria & Lytle, 1983, p. 245). Today, American Indians residing on or off reservations are as eligible as other state residents to receive state social services as long as they meet the eligibility requirements. Unfortunately, tribal governments and their tribal members continue to
meet with resistance from elected (state) representatives in most states due to “ignorance concerning tribal rights, jealousy over tribal resources, and prejudice against Indians” (O’Brien, 1989, p. 290).

The Civil Rights movement of the 1960s made way for the introduction of self-determination as a major goal of Indian policy and increased federal funding for tribal social services. On March 1968 President Lyndon B. Johnson called for an end to the termination of the tribal governments and proposed a new goal which would give American Indians greater control in governing their reservations and in planning federal Indian policy (Tyler, 1973). More funding for tribal self-determination and social services was made available right after his address to the Congress.

With this renewed recognition of Indian reservations as governmental entities, tribes became eligible for a variety of programs, not as beneficiaries of the government’s “trust responsibility,” but as political units with the same eligibility for funding as state and local governments. As such, American Indian Nations began receiving direct funding from a variety of government agencies. The Department of Health and Human Services was responsible for health care; the Department of Commerce was responsible for economic development; the Department of Housing and Urban Development provided housing grants, and the Department of Labor provided job-training grants (O’Brien, 1989). At the same time, American Indians, as U.S. citizens, were eligible for services from other social welfare programs, including Aid to Families with Dependent Children, Food Stamps, and Medicaid. The role of the BIA changed from sole provider of social services to "provider of last resort" to those Indians residing on or near reservations and who were not eligible for aid from the state or local government (Taylor, 1984). The
emphasis of the “Great Society” programs was to strengthen the reservations economically, governmentally, and socially. Legislation created to this end included the Elementary and Secondary Education Act, the Vocation Education Act, the Higher Education Act, and the Economic Opportunity Act (Taylor, 1984). The number of federal programs and funds directed to tribal governments dramatically increased during the 1970s. A review of a 1991 report by the Congressional Research Service revealed that eleven federal departments funded approximately 198 different programs and services for which American Indians governments could apply.

The Johnson and Nixon Administrations both supported policy initiatives which were aimed at improving the quality of reservation life without diminishing the powers of tribal governments. In 1975, Congress passed the Indian Self-Determination Act. This Act further confirmed the federal commitment to transfer control of services to Indian Nations by contracting with the BIA to administer services to the tribes. The Act also supported tribal autonomy by allowing tribes to tailor their social service programs to the unique needs and special circumstances of their communities (Walke, 1991). During the same period, the Indian Child Welfare Act and the Health Care Improvement Act were passed. These additional acts sought to further improve reservation life while recognizing tribal autonomy (O’Brien, 1989).

The Reagan administration encouraged the shift of control to reservations through direct, federally administered block grants. Federal monies were block granted directly to the tribes so that the tribes could design and administer several programs (e.g., the Low-Income Energy Assistance (LIEAP) block grant, and the Community Services block

7 However, the Title XX Social Services Block Grant was not directly block granted to the tribes.
grant). While block grants gave tribal and state governments more autonomy, they were also used to decrease funding for social and economic programs. In examining federal expenditures in terms of constant dollars, from 1981 to 1988, Stuart (1990) found a negative 34 percent change in Indian Education grants and a 28 percent decline in job training expenditures. This decline in federal program monies correlates with the rate of labor force participation on reservations, which declined from 67 percent of the working age population in 1980 to 53 percent in 1990 (Vinje, 1996).

The Bush administration continued policies outlined by the Reagan administration through the development of a self-governance compact, which allowed for the block granting of existing BIA and Indian Health Services funds to tribal governments. The Clinton administration has further strengthened the “government to government” relationship with tribes by further supporting development of self-governance compacts. The self-governance compacts have allowed tribes greater flexibility in designing programs to meet the needs of tribal members.

Currently, tribal governments administer a variety of social service programs through various funding structures. Federal funding is channeled to tribal governments through two basic channels: (a) Direct federal funding to tribes through self-determination contracts (e.g., Bureau of Indian Affair’s General Assistance program), block grants (e.g., Child Care Development), and special initiative grants (e.g., Domestic Violence); and (b) Federal funds channeled to the state and “passed through” to tribal governments through state/tribal agreements (e.g., Title IV-E Foster Care).

As tribal governments have labored to accommodate these various funding structures, the common approach has been to view the different funding streams as
individual “program” funds and to develop independent administrative structures for each funding source. This has resulted in the creation of a complex web of bureaucratic regulations and reporting requirements at the reservation level. For instance, funding for employment and training programs comes from a variety of departments: the Job Training Partnership Act and Welfare to Work services funded by the Department of Labor, the NEW JOBS initiative funded by the Department of Health and Human Services, and the Tribal Work Experience and Employment Assistance Program funded by the Department of the Interior. Funding sources for assistance to families and children include the Department of the Interior (which funds General Assistance), the Department of Agriculture (which administers Commodity Food Distribution), and the Department of Health and Human Services (which funds childcare services). All of the above funding sources dictate different service regulations and reporting requirements.

Recent legislative measures, however, have simplified tribal administrative and reporting requirements and encouraged coordination of services between state and tribal governments. For example, the Indian Employment, Training, and Related Services Demonstration Act (U.S. Congress, 1992, P.L. 102-477) was intended to reduce paperwork and other administrative burdens placed upon tribal governments. Under this legislation, tribal governments may develop one plan to obtain funds from multiple federal agencies for providing a range of employment and job training services. Thus, they may combine the grants they receive into one funding stream. Also, under P.L. 102-477, tribes write one financial report reflecting the entire budget and report to a single federal agency (the Bureau of Indian Affairs) instead of to multiple agencies.\(^8\) Similarly,

\(^8\) Programs that can be combined under P.L. 102-477 are JTPA-IV-A, Summer Youth Program-II-B, and Welfare to Work from the Department of Labor; NEW JOBS, the
the Indian Self-Determination and Education Assistance Act (U.S. Congress, 1975, P.L. 93-638) and C.F.R. Part 900, as amended by P.L. 103-413, P.L. 103-435, and P.L. 103-437 on October 1994 and November 2, 1994, assures “maximum Indian participation in the direction of educational as well as other federal services to Indian communities so as to render such services more responsive to the needs and desires of those communities” (P.L. 93-638). This amendment gives freedom to Indians on reservations to develop and implement their own relevant educational and social programs. Some tribes have taken advantage of this amendment and have designed and implemented a wide variety of programs. The federal government covers support costs (which include start-up costs, pre-award costs, technical and administrative costs) and the costs of the programs that are contracted under P.L. 93-638. The tribes are familiar with this regulation and prefer to use it in tribal takeover of financing and administration. Once the tribes secure funding (program costs plus support costs) from different federal agencies under the P.L. 93-638, they may combine these funds under P.L. 102-477 and report to a single agency.

Section 412 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193 has augmented independence and flexibility to tribes to design and implement their own social service programs on reservations (see section 412 of PRWORA of 1996 for details). The tribes are encouraged to develop TANF administration plans under the P.L. 102-477. At the moment, however, whether tribes can secure funding to administer TANF services using P.L. 93-638 (which entitles tribes to receive program support costs) is an unresolved legal issue. In this paper, we report tribal

Child Care Development Fund, and TANF from the Department of Health and Human Services; Tribal Work Experience, AVT, Direct Employment, Adult Education, and Higher Education from the Bureau of Indian Affairs.
members’ thoughts and experience in their attempt to use these laws (P.L. 102-477 and P.L. 93-638) to administer TANF services on their reservations.

METHODOLOGY

In order to gain early feedback on the devolution of the TANF administration authority to tribes, we used data from multiple sources. First, we reviewed administrative documents shared with us by the state and the tribal members. Second, we telephone interviewed state and tribal service providers of 15 of 21 reservations. Third, we visited and group interviewed tribal and state service providers on four reservations (Salt River, San Carlos, Hopi, and Navajo). We reviewed and analyzed information collected from multiple sources using a qualitative, story format. In reporting findings of this study we do not identify individuals, offices they are associated with, or the tribal names in order to maintain confidentiality. Tribal names are mentioned only if the information is public, derived mainly from secondary data, and is exemplary in nature.

FINDINGS

As the 1996 welfare law has put an end to AFDC as an entitlement to individuals, it has also bestowed power to tribal governments who wish to administer their own programs. Until now, states have been the principal administrators of AFDC programs, including administering AFDC benefits to American Indian families on reservations. Of the 500 tribes and 310 reservations recorded in the country by the 1990 Census (Shumway & Jackson, 1995), five tribes in Wisconsin previously subcontracted with the state to provide AFDC and to determine eligibility requirements for Food Stamp and

9 Red Cliff, the Bad River Indian Band of Lake Superior, Lac du Flambeau, Oneida and Stockbridge Munsee.
Medicaid on their reservations. In contrast, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 has given an option to each tribe to either participate in its respective state program or submit its own TANF administration plan to the Secretary of Health and Human Services (HHS) to receive direct funds to administer the block grant.\textsuperscript{10} However, states will continue to determine Medicaid and Food Stamp eligibility on reservations and will also continue to administer these programs.\textsuperscript{11} Tribal plans can be different from the federal mandate in that the law allows tribes the flexibility to determine: (a) their own service populations (e.g., whether to cover all registered members or only those who reside on reservations.), (b) their definitions of “family” (e.g., how to define “Indian” and “Non-Indian” families), (c) the scope of assistance (e.g., whether to include childcare or not), (d) job participation rates, and (e) variations in time limitations (see section 412 of PRWORA of 1996).

Nationally, as of January 1999, 22 Indian communities had submitted their own formal plans\textsuperscript{12} for tribal TANF programs to the Department of Health and Human Services\textsuperscript{13} (U.S. DHHS, 1998), and the DHHS had approved the plans of 18 tribes and

\textsuperscript{10} Tribes may lose their portions of state matches if this option is chosen; however, Arizona has passed legislation that will allow tribes to retain state matching funds.

\textsuperscript{11} However, the Arizona state legislature has recently authorized the state DFS to request a federal waiver from the DHHS that permits those tribal governments that perform eligibility determinations for TANF to also perform the Medicaid and Food Stamp eligibility determinations. The state of Arizona will provide state-matching monies for the administrative costs associated with the Medicaid and Food Stamp eligibility based on federal guidelines.

\textsuperscript{12} Known as Tribal Family Assistance Grant applications.

\textsuperscript{13} Pascua Yaqui Tribe, Arizona; White Mountain Apache, Arizona; Salt River Pima-Maricopa Indian Community, Arizona; Red Cliff, Wisconsin; Forest County Potawatomi, Wisconsin; Sokaogon Chippewa Community, Wisconsin; Stockbridge-Munsee, Wisconsin; Osage Tribe, Oklahoma; Klamath Tribes, Oregon; Confederated Tribes of Siletz Indians, Oregon; Sisseton-Wahpeton, South Dakota; Northern Arapaho Tribe, Wyoming; Southern California Tribal Chairman Association, California; Lower Elwha Klallam, Washington; Port Gamble S’Klallam, Washington; Tanana Chiefs
one consortium. Four of the 18 tribes administering their own TANF programs are in Wisconsin, three of them in Arizona, two each in Oregon and Washington, and one each in Oklahoma, South Dakota, Wyoming, California, Idaho, Minnesota, Montana and Alaska. The California consortium includes nine reservations. These 19 Indian communities with approved plans are generally smaller and have lower levels of unemployment compared to other tribes. Many of them have modeled their tribal TANF administration plans after their state plans with some modifications in terms of time limits and work requirements. In general, state plans tend to be more stringent than federal requirements, whereas the tribal plans tend to be more generous than state requirements. For instance, Arizona’s Department of Economic Security (DES) has instituted a two-year time limit on benefit receipt within the first five years of receiving benefit, whereas the Pascua Yaqui tribe (in Arizona) will waive the two-year time limit for adult recipients who are meeting the work activity requirement.

**Tribal administration of TANF: The Arizona Experience**

Based on recommendations made by Indian leaders at the National Tribal Leaders Conference on Welfare Reform, the Inter-Tribal Council of Arizona outlined five different options a tribe may consider in implementing welfare reform. These options include: (1) leaving TANF program administration completely to the state, (2) subcontracting to provide a state-administered TANF program, (3) completely administering TANF at the tribal level, (4) allowing the state to subcontract in providing

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14 In Arizona, the adult portion of the benefit is eliminated after a family reaches the two-year time limit within the first five years, but cash assistance for the children in the family is continued for the five years. The two-year time limit began on November 1, 1995 and the 60-month lifetime limit began on October 1, 1996.
a tribal-administered TANF program, and (5) subcontracting with a private organization
in providing a tribal-administered TANF program. In other words, the options the tribes
select may vary. Of the five options, Arizona’s one tribe (Salt River), whose plan has
been approved by the U.S. DHHS, has chosen option three and the other two tribes
(Pasqua Yaqui and White Mountain Apache) have chosen the fourth option. The exact
nature of the subcontract agreement between tribes and the state may vary for tribes
selecting the option four. For instance, the Pasqua Yaqui tribe has subcontracted with the
state to determine TANF eligibility, issue payments and generate monthly reports,
whereas for the White Mountain Apache Tribe the state will determine TANF eligibility,
implement job placement activities and generate monthly reports.

Several other tribes in Arizona are interested in tribal TANF because the State of
Arizona has agreed to provide state matching funds\textsuperscript{16} to the tribes. One tribe (the Navajo
Nation) has submitted a plan; and two additional tribes expect to develop plans at some
point in the future. In preparation for taking over TANF in the future, one tribe is
developing a three-year plan for taking over TANF and is also developing a “contingency
plan” to help community members who are dropped from TANF rolls in the meantime.
The other nine tribes have elected to stay with the state-administered TANF program,
either through a deliberate decision-making process or “by default” by not formally
considering the option at this time. Four of the tribes that did not formally consider
implementing tribal TANF did so because they are small communities and do not have
enough residents receiving TANF to make administering their own program worthwhile.

\textsuperscript{15} Held in Seattle, Washington, from October 29 through October 31, 1996.
\textsuperscript{16} Four states--Arizona, Oregon, California and Montana--have agreed to provide state
matching funds. Arizona will provide 80\% of the state money that it spent on AFDC recipients on reservations in 1994.
A few tribes have ample employment opportunities due to economic development activities on or near reservations and have very few TANF recipients.

Many larger tribes in Arizona have adopted a “wait and see” approach before moving forward. They are hoping to learn from the experiences of those tribes who are in the process of implementing tribal TANF and want to make sure they have “all the facts regarding their options.”

Four tribes in Arizona had formed task forces to study the issues of welfare reform on an in-depth basis. Most of these task forces included tribal social service administrators as well as other tribal service providers and frontline staff. A task force on one reservation also included local staff of the Arizona State Department of Economic Security. Some included subcommittees in areas such as economic development, child support, and education. In one community, the tribal Vice Chair initiated a review of the TANF legislation and engaged social services staff in forecasting the impact of welfare reform on tribal members.

Formal decisions were usually made after task forces or social service staff made their recommendations to the Tribal Chair, the Tribal Council, or a committee of the Tribal Council. Tribal Councils then voted and made the final decisions.

During the TANF decision-making process, state DES staff (including staff from the Intergovernmental Relations office) met with tribal staff to provide information and resource materials, especially to those who were interested in developing their own TANF plans. In addition, local DES staff also provided assistance to five tribes as they were making their TANF decisions. A DES District Program Manager commented that one of the tribes that elected to go with their own plan “looked at all the options carefully...”
and did a thorough job gathering information.” She added that this same tribe has a “strong social services department.”

For those tribes who had either submitted TANF plans or planned to do so in the near future, the major reason service providers gave for wanting to implement tribal TANF programs was to give their community members greater flexibility when enforcing time limits. Many were concerned that the lack of employment opportunities on or near reservations would make it impossible for some recipients to meet all the deadlines under the state plan. Local DES staff were often aware of these factors in decision making. As one DES staff member said, “The major reason they decided to do tribal TANF was to help the people who would have been sanctioned.”

Other considerations in the decision to develop tribal TANF included a desire to protect tribal sovereignty and to develop programs that were culturally appropriate. As one tribal TANF coordinator said, “We have a lot of confidence in our tribal capabilities. Tribes have struggled under bureaucracies before. We don’t want to work like that with the state. We wanted a government-to-government agreement.” He also stressed that this was the opportunity to design something that “truly reflected” their cultural values and traditions. “Ideas about welfare reform apply mostly to urban areas,” he said. “Our community is unique. We have a unique lifestyle, and our plan is designed to fit our unique needs.”

Another tribe decided to develop its own plan because they could have flexibility in program requirements while still using the state as their service provider. As the tribal social services director said, “The State made it simple to do TANF on our own. They offered the state matching funds and agreed to subcontract to provide the services. We
felt it would benefit community members because we would have flexibility and be able to protect recipients from time limits.”

The tribes that are considering developing their own TANF plans in the future mentioned similar considerations. A service provider for one of these tribes echoed the concern for protecting tribal sovereignty and protecting tribal culture:

We have a support system that is centuries old. Traditionally, the kinship and clan systems have provided assistance for their members. If we do our own program, we have to structure TANF to build on what’s already there. We have to protect the tribal system of people helping each other. We need to ‘massage’ government regulations so they fit what is here. We have a totally different philosophy from other tribes, and we don’t want to undermine our culture.

In addition, tribes fear that private organizations that subcontract administration of TANF services on reservations from the state might be less generous than the state. A tribal community that had reviewed a proposed plan under privatization had noted that the plan was more stringent in terms of time limits and work requirements than the state’s. Also, the proposed plan under privatization capped benefit levels for families, regardless of size. Thus, as privatization proceeds, the tribes will have additional impetus for administering their own plans.

For those tribes which elected to remain with the state TANF program, the reasons service providers gave for this decision included the need to develop the infrastructure to administer another public assistance program, including the need for facilities for service delivery, and computer hardware and software for information management systems. Also, tribes needed additional staff and staff training before they would be able to administer TANF. Another common consideration was the lack of start-up costs for program administration and the high costs of running a welfare-to-work
program. Finally, a few tribes felt that they did not have strategies for providing jobs to
recipients.

In making future decisions about TANF, many tribes are networking with one
another (either on their own initiative or through the Inter-Tribal Council of Arizona) to
continue their decision making and plan development process. Some efforts at developing
TANF strategies have “slacked off” or slowed down due to the impact of the waivers for
reservations with unemployment rates over 50 percent. As one social services manager
said, “The waiver has taken the gun away from our temples. We will be allowed to move
at a slower pace.”

Of the tribes who are not in the process of developing or implementing their own
TANF plans, four indicated they would probably not pursue managing their own TANF
programs in the future. This was due to the small number of TANF recipients in their
communities or because the tribes were too small. Two tribes are considering
collaborating with other tribes in developing and implementing joint TANF programs –
one with a number of other small tribes and the other with a large tribe that has already
submitted a TANF proposal. Four tribes, in addition to those who have submitted plans,
are considering developing tribal TANF at some point in the future. The DES
administrator who spoke of one of these tribes said, “I think the tribe will eventually
move forward with their own TANF plan. That’s the way to go. The tribe will have
more flexibility, and the family cap is waived. Plus they do not have a huge caseload.
They could also contract back with DES.”

For tribes implementing or planning to administer their own TANF programs,
details of their plans may differ from the federal mandate and may vary from tribe to
tribe, as expected. For instance, Navajo Nation proposes to require only five percent of adult participants (ages 18 to 60) to comply with work requirements in the first two years, with a minimum of 10 hours per week for the first and second years.\(^{17}\)

**Cooperation, collaboration, and communication**

State governments have historically tried to exert control over tribal communities. Under the PRWORA, however, both states and tribes nationwide are finding it advantageous to enter into intergovernmental agreements to ensure the coordination and provision of TANF and related services. Coordination, communication and collaboration regarding the implementation of social programs and services have increased since the passage of the PRWORA at various levels. Tribes have direct communication with the federal government, tribes coordinate with state social service administrators, and collaboration and communication occur among service providers and administrators within each tribe.

Some tribal administrators have noted positive early impacts of welfare reform on communication among tribal social service providers and the state. The opportunity to implement their own TANF services has led to increased collaboration and coordination with other service providers and with state DES staff. One social service director said, “This is an exciting time. We are coming to the table to talk with state workers. We are tapping resources not previously available and working to ‘know the other side.’” Another tribal social service director said, “The Vice Chair was interested in tribal TANF all along, and the state made it simple to do our own. They offered the state match and agreed to subcontract to provide the services.” Several tribes have recognized the need to restructure the services they provide to best meet the needs of TANF recipients. For

\(^{17}\) Ten percent of all families on the third year and thereafter.
example, one community combined their health and social services departments into one administrative entity for better coordination. In other communities, long-range planning processes have been initiated that involve economic development, job training, and educational staff.

Overall, state DES staff have cooperated with tribes and assisted them in making decisions regarding TANF. In addition, many DES staff are supportive of tribes’ efforts to administer their own plans. Most tribes lack the technical skills and the infrastructures required to administer TANF services. As a result, even the two tribes in Arizona that have received approval from DHHS to run their own TANF programs have subcontracted with the state to implement different components of TANF. In other words, TANF money will flow from the federal government to the tribe and then to the state. Tribes will enjoy the freedom to design culturally sensitive programs while the state provides the technical skills needed to implement the program. For the first time, tribal governments and service providers are negotiating with the state in the bargaining process. This appears to be a productive relationship between the tribes and the state. It is possible that welfare recipients will truly benefit from such state-tribal relationships.

Also at the tribal level, the 1996 federal welfare legislation has given tribal service providers the opportunity to meet together, and assess their services and the needs of their communities. On many reservations, tribal social service providers are coordinating, communicating, and collaborating among themselves and with the state welfare office for the first time on a regular basis to examine issues around welfare reform and the tribal option to implement TANF. These steps toward coordination and
collaboration between social services, employment training, childcare, education and other departments may considerably improve the tribe’s efforts to serve families in need.

**Tribal Challenges to Self-administer TANF**

The option for tribes to administer their own TANF programs has been praised as an example of the “government-to-government” relationship between tribes and the federal government. However, as tribes begin to develop plans for self-administration of TANF programs, they are noticing the legislation’s limitations. For instance, tribes administering their own TANF programs may not receive state matching funds, support costs and start-up money. Also, the 1996 federal welfare legislation fails to treat them on a par with the states, especially in terms of use of unexpended TANF funds, funds to evaluate their performance, and federal rewards for “successful” work. Tribal leaders and service providers are concerned that devolution of responsibility for TANF administration without commensurate allocation of financial resources to the tribes may render the policy ineffective. This concern has slowed tribal takeover of TANF programs.

**State match**

Under the 1996 federal welfare legislation, tribes will receive varying levels of support for TANF administration from their states, depending upon their relationships with their states. For instance, some states have historically been more supportive of tribal governments’ administration of social services on reservations (e.g., Wisconsin) whereas other states have not (e.g., South Dakota). Depending upon this historical state-tribal relationship, tribes may or may not receive state matching funds. Whether or not they do may in turn determine tribes’ ability to administer TANF. The 1996 federal welfare legislation does not mandate states to provide their share of support to tribes that
wish to implement TANF independently. In other words, under the new welfare legislation, the tribes are entitled only to the federal share of dollars. Only a few states (e.g., Arizona, Oregon, California and Montana) have agreed to provide state matching funds. Of those states that decide to provide the state match to tribes, they provide state match at the 1994 expenditure level. Also, under the 1996 welfare legislation, states are required to maintain only 80 percent of their 1994 expenditures. That is, of the states that opt to give state matching funds to the tribes within their state, they may give tribes only 80 percent of the 1994 state match. This means that the tribes must make up the remaining 20 percent through reductions in caseloads and/or program expenditures. This is a concern to the tribes. In addition, even if the number of welfare recipients rose after 1994, states may provide only 80 percent of the 1994 state match.18

**Support costs**

As indicated earlier, tribes are encouraged to develop TANF administration plans under the P.L. 102-477 and combine funds from different sources into one funding stream. Two of the 15 Indian communities in the nation whose TANF plans have been approved have structured their plans to meet the requirements of P.L. 102-477.19 However, it appears that tribes may not be able to use P.L. 93-638 (which entitles tribes to receive program support costs) to administer TANF services. This means tribes that opt to administer their own TANF programs must come up with their own start-up costs to strengthen infrastructure, and to hire and train additional caseworkers. This is a

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18 According to the Department of Economic Security of Arizona two tribes have experienced an increase in the number of households and the number of individuals receiving TANF (Colorado River and Pasqua Yaqui) between the second quarter of 1997 and the second quarter of 1998.
19 They are the Confederated tribes of the Siletz Indians, Oregon, and the Sisseton-Wahpeton Sioux tribe, South Dakota.
concern for all the tribes we interviewed. In Arizona, the Navajo tribe originally applied to DHHS to administer TANF under the Indian Self-Determination and Education Assistance Act (U.S. Congress, 1975, P.L. 93-638) so that they would be entitled to receive support costs. The Secretary of Health and Human Services has rejected the Navajo proposal to administer TANF under P.L. 93-638, but recently the Navajo Nation has appealed that decision and taken its position to the Federal District Court in Phoenix. Other tribes are waiting to hear how the Navajo’s application will be decided so they can prepare their TANF administration application using either P.L. 93-638 or P.L. 104-193, section 412. Once they secure TANF funding tribes have the option to use P.L. 102-477 and combine TANF funding with other training, education and social services funds.

Are state and tribal governments treated equally?

The 1996 federal legislation has strengthened the “government-to-government” relationship between the federal government and tribes by allowing tribes greater flexibility in the design and administration of welfare programs on reservations. However, tribes are not treated on a par with states in at least three areas. First, states are allowed to keep unexpended TANF funds for future (unlimited time) use, but tribes must return any unexpended federal funds to the federal government within two years. Second, states receive additional money to evaluate their performance, whereas the tribes that implement TANF independently do not receive evaluation money. Third, states receive incentives for reducing caseloads, unwed births, and teen pregnancies, whereas tribes who are able to reduce the same do not receive incentives.
Discrepancy in Federal and State Fiscal Years

Federal and state awards may follow separate fiscal years. For example, in Arizona, a tribe that takes over the responsibility of implementing TANF will receive both federal and state funds, but federal and state awards follow separate fiscal years (the state fiscal year runs from July to June, but the federal fiscal year runs from October to September). Tribal administrators did not mention this as a major problem, but indicated that it would make administrative tasks more complex.

Technical expertise

As indicated earlier, most tribes lack adequate technical skills and the infrastructures required to administer TANF programs. This is a big concern for tribes that wish to self-administer TANF. They will have to either subcontract with the state or a private organization. For the time being, tribes within Arizona seem to prefer to subcontract with the state rather than with a private organization. The two tribes in Arizona that have received approval from DHHS to run their own TANF programs have subcontracted with the state to implement different aspects of TANF. In the long term, however, tribes who wish to strengthen their position to self-govern (including self-administration of TANF services) recognize that they need to develop technical expertise among tribal members.

Moving families from welfare to work

Tribes are aware that it is a challenge to move poor women on public assistance to work, simply because many reservations are geographically isolated, have high unemployment rates, and have welfare populations that lack child care, transportation, education, and employment skills (we discuss these issues in detail in another paper).
Tribal members are concerned about their ability to move these families from welfare to work on a shrunken budget.

ANALYSIS

Throughout the 1990s, devolution--or entrusting local levels of government to reflect their own attitudes, imagination, and insight in the design and administration of social welfare services--has gained increasing attention. In 1996 the 104th Congress devolved TANF programmatic authority from the federal government to the states. Several authors have questioned the merit of devolution of power to administer social service programs from the federal government to the state (Caraley, 1996; Donahue, 1997; Goldberg, 1996; Weaver, 1996). They see devolution as an outcome of political motivation and empirically unfounded (Caraley, 1996). In analyzing our data, however, we purposely take the stand that devolution of power from federal and state to tribal governments is good--not because we concur with the arguments used by supporters of devolution, but because it is in line with tribal self-rule. Historically, tribes have incessantly sought to gain tribal sovereignty in the administration of social services. Also, in the current political climate the federal government is unlikely to reverse the block grant approach and enlarge poverty alleviation programs at the federal level in the near future. In other words, devolution of administrative authority from federal government to states and tribal governments in delivering services to the poor seems here to stay. Incremental changes to cure some of the deficiencies in the existing policies are likely to occur. Within this context we highlight some of the weaknesses of the current legislation and suggest remedies within the current policy framework. We conclude this section indicating that the 1996 welfare legislation has indeed increased communication,
cooperation, and collaboration within tribes, among tribes, between tribes and states and
between tribes and the federal government.

**Challenges to Development through Devolution**

The 1996 welfare reform legislation was based on the assumption that states are
better positioned than the federal government to understand local conditions and to
respond to local needs with innovative strategies, and greater imagination and insight
(Corbett, 1997). If devolution of power from the federal to the state level is a more
effective means of delivering public assistance, then it is only logical to think that tribal
governments situated closer to the problems are better positioned to understand and
respond to tribal challenges. Tribal governments are, thus, better positioned to design
suitable programs for their needy populations than the state. To this effect, tribes have
begun examining issues that they need to address under welfare reform. Priorities may
vary from one reservation to the next. For instance, a critical issue for tribal members of
the San Carlos reservation, which has a high unemployment rate, was job development,
whereas at Salt River (located in the outskirts of Phoenix) issues of job placement and
retention were more important.

Welfare reform has given tribal social service providers new opportunities to
examine federal and state policy and make their own decisions about what is best for
their communities. The federal government has also given flexibility to tribes to
determine their own service populations, definitions of family, types of assistance, job
participation rates, and time limitations. Developing TANF services that are sensitive to
the cultural values and practices of their tribes has been a top priority for tribal service
providers. Because welfare reform gives tribes the option to run their own programs for
the first time, it represents a fresh opportunity to design culturally appropriate welfare-to-work programs. Also, under PRWORA they are shifting their attention from rehabilitation to long-term development.

Tribes may design innovative poverty alleviation programs and respond to local challenges with greater imagination and insight. Some programs may even become models for other tribes in the nation. It is in the interest of the state and the federal government to remove tribal constraints against self-governance. The states and the federal government can promote tribal self-governance by easing some of their constraints as follows:

**Federal support**

Tribes are aware that flexibility to design and administer a tribal TANF program comes with responsibility to alleviate poverty and change behavior of current or former welfare recipients. Not all tribes within Arizona are positioned to undertake the task of this magnitude. Most tribal governments are short of technical expertise and financial resources. Devolution, in the true sense of the word, does not necessarily mean that lower-level governments should do more work with less money. However, this is how the block granting of welfare services is now set up. Providing financial and technical resources to those tribes whose plan to self-administer TANF as approved by DHHS will not only reduce tribes’ constraints to administer TANF, but it may also enhance job opportunities and skills among tribal members. Otherwise, “flexibility without resources may not be flexibility at all” (Corbett, 1997, p. 5).

If the intent is to help tribes become self-reliant, then perhaps funds should be made available to encourage their self-reliance not only at the individual level but also at
the institutional level. One way to build tribal institutional structures is to provide support costs so tribes can gain experience in service implementation. Navajo’s TANF administration proposal creatively requests support costs to administer TANF within the framework of existing federal law (U.S. Congress, 1975, P.L. 93-638).

State-match

Providing state matching funds to tribes whose plans to administer TANF are approved by DHHS is a step in the right direction in promoting devolution of power from states to tribes. Yet, as noted earlier, only a few states in the nation have agreed to do so. Further, as noted elsewhere (Pandey et al., 1998), tribal welfare recipients face barriers to employment that are difficult to remove. States should reward tribes that are willing to undertake a task of such enormity with generous matching funds.

Incentives for positive outcomes

If it is good policy to encourage states to reduce welfare caseloads, unwed births, and teen pregnancies, perhaps the same logic should be applied to tribes who administer their own TANF programs. In other words, tribes should also be rewarded for positive outcomes, just like the states.

Coordination, collaboration, and communication

Under the 1996 federal welfare legislation, both states and tribes find it advantageous to enter into intergovernmental agreements to ensure the coordination and provision of TANF and related services. The legislation has strengthened coordination, communication and collaboration at all levels—among tribal social service providers, among tribes, between tribes and states, and between tribes and the federal government—that are interested in examining issues around TANF implementation on reservations. At
the tribal level, for instance, coordination, collaboration, and communication have increased between staff of social services, employment training, childcare, education and other departments. Increased coordination, communication, and collaboration is a positive early effect of TANF legislation and may improve tribes’ efforts to serve families with children in need in the future.

CONCLUSION

A historical review of social welfare polices and services to American Indians indicate that American Indians are different from other U.S. citizens in that they have citizenship status with the federal and state governments, yet as tribal members, they also share in a unique federal-Indian relationship based upon treaties, acts of Congress, and presidential directives which recognize tribes as sovereign entities. This dual relationship complicates policy making relative to American Indian social services, because Indians have rights based on their citizenship and the special “federal trust responsibility” of the federal government. Although state governments have historically tried to exert control over tribal communities, several recent federal legislations (including the PRWORA) have granted more independence and flexibility to tribes to design and implement their own social service programs on reservations. The option for tribes to administer their own TANF programs has been praised as an example of the “government-to-government” relationship between tribes and the federal government.

There is a lot of interest among tribes in Arizona as well as tribes in other states to self-administer TANF. Thus far, the DHHS has approved 18 tribes and one consortium’s formal plans for tribal TANF administration. Three of these 18 tribes are in Arizona. Several other Arizona tribes expect to have a plan developed within the next few years.
Tribes that have elected to stay with the state-administered TANF program are either gathering information relevant to positioning themselves to self-administer TANF or are disinterested because they are nearly “welfare independent” and have very few TANF recipients. Also, as a result of this legislation, communication, collaboration and cooperation among different units within tribes, between tribes, tribes and states and tribes and the federal government have increased.

However, as tribes begin to develop plans for self-administration of TANF programs, they are noticing the legislation’s limitations, especially lack of state matching funds, support costs, start-up money, and federal rewards for “successful” work. Tribal leaders and service providers are concerned that devolution of responsibility for TANF administration without commensurate allocation of financial resources to the tribes may render the policy ineffective. Above all, this concern has slowed tribal takeover of TANF programs.
REFERENCES


