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SODR and Structural Discrimination

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Second-Order Devolution Revolution and the Hidden Structural Discrimination?

Examining County Welfare-to-Work Service Systems in California

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Abstract

Drawing from Critical Race Theory (CRT), and a structural intersectionality framework, we examine intersecting structural inequalities embedded in county welfare-to-work (WTW) service delivery in California. Using a mixed-method analytic approach, our results reveal that second-order-devolution revolution (SODR) shapes intersecting gender, racial, class, and spatial inequalities, and reproduces white supremacy. We find that counties with multiple privileged socioeconomic characteristics operate *employment- or training-oriented* WTW systems, whereas counties with multiple disadvantaged socioeconomic characteristics operate *sanction- and education-oriented* WTW system. We discuss policy solutions to address the disparities in WTW service delivery systems.

Keywords: Second-Order Devolution, Welfare-to-Work, Structural Discrimination, Critical Race Theory, Intersectionality

Introduction

The passage of the Personal Responsibility and Work Opportunity Act (PRWORA) of 1996 has resulted in a so-called “welfare devolution revolution,” which has led the federal government to grant states increased discretion in the design of welfare programs and the usage of block grants for these programs. This welfare reform also provides states the option to engage in a “second-order devolution,” referring to a practice in which states pass down the responsibility of program implementation and fiscal oversight to county governments. Although this practice grants authority to counties, scholars have argued that local government may impose strict sanctioning practices to regulate clients and cut welfare costs (Fording, Soss & Schram, 2007; Schram & Soss, 1998). Concerns about the negative consequences of the devolution revolution are relevant to social equity because females, and people of color, disproportionately experience poverty (Fontenot, Semega, & Kollar, 2018). In particular, poor single mothers were the target of Temporary Assistance for Needy Families (TANF) reform legislation, which instituted time limits, the practice of sanctioning, and a “work-first” approach in TANF programs.

While a body of welfare literature has shed light on the racial disparities found within sanctioning practices at the state and county levels (Fording, Soss & Schram, 2011; Monnat, 2010a; 2010b; Schram, 2005; Schram, Soss, Fording & Houser, 2009), there is a lack of research on the intended and unintended social equity issues in county Welfare-To-Work (WTW) service delivery systems. Understanding the structurally embedded inequalities in county WTW service delivery is important because local welfare systems can either increase or limit clients’ chances of accessing cash aid, and/or gain access to comprehensive service packages and job opportunities that meet client’s needs and advance the client and their family’s lives.

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This research aims to investigate the second-order devolution revolution (SODR) and its hidden structural discrimination against different segments of the poor in county WTW service delivery system. We use “SODR” as a term to refer to policy reforms that have occurred in states, and contributed to second-order devolution, after the enactment of PRWORA. This paper contributes to welfare reform literature by drawing on CRT and a structural intersectionality framework, and conducting a mixed-method case study, to examine the intersecting structural inequalities embedded in county WTW service delivery. We selected California for our study because it has a highly devolved TANF program, a strong statewide financial commitment to cash aid and WTW services, and a racially diverse population.

Our results show that SODR occurred in California as policy responses to address the negative impacts of the Great Recession on state service cuts and family needs. However, SODR shapes intersecting gender, racial, and class disparities, and reproduces white supremacy through different structural mechanisms in four WTW service orientations: *employment-oriented*, *sanction-oriented*, *education-oriented*, and *training-oriented* WTW service delivery systems. We highlight a hidden structural white supremacy and structural discrimination against poor Latino single mothers within the punitive WTW systems in California, as an (unintended) consequence of SODR. We discuss policy implications for setting equitable policy goals, performance measures, multi-level government responsibility, and funding allocation.

Literature Review

Critical race theory and an intersectionality framework

Critical race theory (CRT) is a movement of activist scholars who aim to analyze and transform the relationship among race, racism, and power by accounting for broader political-economic and historical contexts (Delgado & Stefancic, 2017). CRT posits that racial

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discrimination and White supremacy are structurally embedded in organizations and institutions (Delgado & Stefancic, 2017; Limbert & Bullock, 2005), and that racial minorities experience racial discrimination (Monnat, 2010a). In addition to CRT, which focuses on racism, an intersectionality framework emphasizes the intersection between two or more social categories (e.g. gender, class, race, and national origin) to understand social injustice and structural inequalities (Cho, Crenshaw, & McCall, 2013). Intersectionality theory argues, for example, that Black women hold a doubly disadvantaged position because of their racial and gender identities. Crenshaw (1991, p. 1245) defines “structural intersectionality” as “multilayered and routinized forms of domination.” Structural intersectionality shed light on overlapping structural subordination, and reveal the most vulnerable groups in an institutional setting (Cho et al., 2013).

The American welfare system is not gender, race, class nor place neutral. In the following sections, we review the intersectionality of gender, race, class, and place, and the structural mechanisms that oppress economically disadvantaged single mothers as a result of U.S. welfare reform. We conceptualize “place” (e.g. states or counties where people reside) as an additional category that intersects with race, gender and class. Our review focuses on local welfare and socio-political systems given the influence these systems have on people in poverty.

Welfare reform: the structural intersectionality of race, gender, class, and place

Previous literature has traced the historical origin of welfare reform legislation and has revealed a strong presence of negative stereotypes of racial minority women on welfare found within PRWORA discourse. The media portrayed Black women as “welfare queens” who abused the welfare system by giving birth to numerous children, and lacked motivation to obtain employment (Monnat 2010b; Monnat & Bunyan 2008; Wacquant 2009). Welfare reform created a biased social construction: African Americans were pathologically welfare dependent and held

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distorted values and behaviors. Research shows that welfare reform discourse varies based on the perceived race of the beneficiaries, and by the state in which the discourse was produced (e.g., “lazy and hyper-fertile black recipients” in southern states, and “law and order discourses” regarding immigration violations and welfare system abusers for Hispanic and Asian recipients in Southwestern states) (Brown, 2013). Welfare reform established three key practices that altered welfare processes: second-order devolution, welfare sanctioning, and work-first orientations. In the following sections, we summarize literature related to these three practices.

Second-order devolution: address local needs or contribute to disparities?

PRWORA facilitated a second-order devolution (SOD), which allowed the federal government and states to grant greater discretion to local governments in TANF program design and implementation. Proponents of welfare devolution argue that devolution encourages policy innovations through “laboratories of democracy” (Schram & Soss, 1998), and local governments can more effectively implement TANF because they have better knowledge on local conditions and needs. Using state panel data from 47 states from 1990 to 2003, Kim & Fording (2010) found that TANF participants in SOD states had higher rates of employment exits and higher average earnings than participants in non-SOD states.

Opponents of welfare devolution argue that devolution may result in less generous and more stringent TANF provisions through a “race to the bottom” mechanism (Scharm & Soss, 1998). Research has found that SOD states tend to be more punitive and have greater decreases in caseloads than non-SOD-states (Kim & Fording, 2010). To further assess the impacts of SOD on welfare recipients, Sheely (2018) used a CalWORKs participant sample (2000-2005) to examine if counties’ service priority plans (established in late 1990s) were translated into frontline workers’ practices in granting welfare sanctions or time-limit exemptions. Sheely’s

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research found that state and federal policy regulations and client characteristics (e.g., race, disability, and age) matter more than counties' service priorities. In response to the Great Recession, many state governments, including California, substantially cut their TANF budgets, which produced negative impacts on economically vulnerable populations (Cerven, 2013; Chang, 2015). Little research exists that examines SOD of TANF in the post-recessionary period. We expect that county service orientations have shifted in response to the changing political and socioeconomic contexts, resulting in greater cross-county variation in service orientations. We also anticipate that the spatial disparity in service delivery intersects with gender, race, and class disparities.

Welfare sanction: discipline non-White poor women in welfare systems

PRWORA instituted a sanctioning mechanism to reduce or terminate cash aid to TANF participants who do not meet federal work requirements for the program. Soss, Fording, & Schram (2011) argue that welfare sanctioning is a neoliberal behavioral control mechanism through which the privileged class disciplines racial minority women in poverty, and coerces them to enact a mainstream work ethic. In fact, research has consistently found that non-white TANF participants, particularly African American or Latinos, are more likely to experience sanctioning than their white counterparts (Fording et al., 2007; Monnat, 2010b; Schram et al., 2009; Soss et al., 2011). While being sanctioned is associated with individual characteristics (e.g., non-white, lower education level), simply focusing on individual characteristics without examining how these characteristics interact with structural factors can lead to a color-blind, individual-blaming explanation for being sanctioned (Fording et al., 2007).

Racism that operates at both the individual and structural levels explains the racial disparities in sanctioning. At the individual level, studies show that racial stereotypes from

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frontline welfare workers and employers affect the chances of racial minorities being sanctioned (Schram, 2005; Schram et al. 2009; McDaniel, Woods, Pratt, & Simms, 2017). Research has also posited that larger compositions of racial minorities in a county or a state have created “group threats” to the privileged racial group, which result in a more punitive welfare system that tends to sanction racial minorities (Fording et al., 2011; Michalopoulos, 2004; Monnat 2010b; Monnat & Bunyan, 2008). On the state and county levels, a link between political conservatism and racial bias in sanctioning has been found; counties with a larger Black population adopt a more disciplinary approach (Fording et al., 2007; Fording et al., 2011; Soss & Schram, 2011).

Although these findings provide insights about the racial disparity found within sanctioning practices, the findings do not provide a holistic understanding of welfare reform practices, nor the use of a wide range of WTW services. Moreover, previous research on sanctioning has paid more attention to the experiences of welfare lenient and politically conservative states (e.g., Florida, Fording et al., 2007). Conclusions drawn from these states, however, may not apply to the experiences of welfare lenient and politically progressive states.

Pathways from welfare to work: employment-oriented services vs. alternative services

Social policy scholars and policymakers have debated whether work-first programs or human capital programs are more effective WTW approaches. The former focuses on employment services (e.g., job search and placement) that transition welfare recipients into the labor market as soon as possible, while the later emphasizes training or education to improve the quality and sustainability of employment over the long term (Lindsay, 2014). Michalopoulos (2004) found that WTW programs that allowed less job-ready welfare recipients to participate in training or education activities before job search had the largest effect on earnings. Critics of PRWORA argued that a work-first approach, along with a time-limit for cash aid and a sanction

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mechanism for non-compliance, functions as a barrier to higher education and training, and contributes to unequal education and employment outcomes (Burnham, 2001; Monnat & Bunyan, 2008; Johnson, 2010). Studies have also found that reforms that institute a work-first oriented approach result in a dramatic decrease in enrollment in postsecondary education (Jacobs & Winslow, 2003). These unintended impacts on postsecondary education become gendered and racialized because PRWORA limited access to education for many African American single mothers (Johnson, 2010) and worsened the already low enrollment in postsecondary education and training among Latino welfare recipients (Shaw & Goldrick-Rab, 2006).

Work-first-, training-, and education-oriented services fail to address individual and structural barriers to employment. Many participants face multiple barriers to work, including physical and behavioral health conditions, substance dependency, and lack of transportation, housing, and childcare support. Often, these supportive services, and opportunities to reduce barriers, are under-resourced (Dworsky & Courtney, 2007). Limited research examines the racial and spatial disparities in access to alternative WTW services (Cheng, 2009).

Scholars have called for research that examines racial bias and devolved WTW service delivery systems (Fording et al., 2011; Gooden, 2003; Monnat, 2010b). To our knowledge, no research has systematically examined the racial disparities in WTW service orientations at the county level in the aftermath of the Great Recession and the role of structural factors in shaping or explaining these racial disparities. Without a structural understanding of WTW service delivery systems, policymakers, program administrators, and frontline workers may focus on addressing individual problems and barriers, but leave structural barriers remained unaddressed.

Methods

Case selection, and research questions

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This research aims to investigate the SODR and the intersected structural inequalities in county WTW service delivery. We selected California for our study for the following reasons: (1) California is one of fourteen states that devolved the responsibility of WTW program design and implementation to counties (Gainsborough, 2003). California has made several reforms to its TANF program – known as CalWORKs – in the recent decade, which provides rich policy evidence on SODR. (2) Compared to other states' TANF programs, CalWORKs has a high financial commitment to cash aid and WTW core activities (Schott, Floyd & Burnside, 2019), which allows researchers to analyze sanction and exemption practices, as well as a wide range of WTW activities. (3) California has a highly diverse racial composition. The racial diversity, along with highly devolved, county-varied welfare systems, makes California an ideal case to examine the intersected structural discrimination against the poor in WTW service delivery.

We ask the following questions to unpack the mechanisms of structural discrimination in California's WTW service delivery. (1) What have been the major legislative reforms of CalWORKs since the Great Recession, and how do these reforms relate to statewide changes and cross-county variations in WTW services? (2) Are there distinct WTW service orientations across counties? What are the structural characteristics within counties, and how do they interplay with WTW service delivery? (3) How do structural factors explain the racial disparity in WTW service delivery? We answer these three questions in the sub-sections of the results.

Analytic procedures, data sources, and measures

To address the first research questions and summarize major CalWORKs reform efforts over the last decade, we systematically reviewed five CalWORKs annual summary reports and analyzed six transcribed interviews with state officials from the California Department of Social Services (CDSS) and leadership from the County Welfare Directors Association (CWDA)

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conducted in 2019. We used all available administrative data from CDSS WTW25 and CW115 forms, and descriptive statistics (i.e., the average and the coefficient of variation), to analyze statewide trends and cross-county variations in eight WTW service indicators from 2003 to 2018. Our unit of analysis is the county. We excluded data for two-parent families to focus our analysis on single mothers' experiences with WTW programs. Our indicators measure the magnitude of a given type of practice (i.e., exemption and sanction) or service (i.e., employment, training, education, human service, supportive service, childcare) received by WTW participants of a county in one month. For each service indicator, we generated an annual measure by averaging the 12 monthly data points within a calendar year. Table 1a lists our indicators and measures.

To address the second question, we conducted a cluster analysis of the eight service indicators by using the 2018 data. We standardized each service indicator by using the Z-scores, and used Ward's method to measure the distance among counties. After assigning cluster membership to counties, we used box plots to present the service characteristics of the resulting four clusters, and interpreted their service orientations. Based on the findings from previous literature, information gathered from our interviews, and the availability of state administrative data, we included the most relevant demographic, socioeconomic, and political variables to capture the structural characteristics of the WTW service delivery systems (see Table 1b for the detailed information on the variables, measures, and data sources). We analyze these structural characteristics by WTW service orientation to describe the intersecting structural inequalities in WTW service delivery systems.

To address the third research question, we developed a multinomial regression model to examine the net associations between the structural variables and the types of WTW systems. We examine if county WTW service orientations are associated with the rate of African

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Americans and Hispanics residing within the county, which previous research has confirmed such associations (Fording et al., 2007; Monnat, 2010b; Schram et al., 2009; Soss et al., 2011).

Results

CalWORKs reform, statewide trends, and cross-county variations in service delivery indicators

We synthesize information gathered from a systematic review of five CalWORKs annual summary reports and six interviews with state officials, and identify three key pieces of legislation and/or initiatives that facilitate a SODR in California.

SB 1041: establishment of the welfare-to-work 24-month time clock

In the wake of the Great Recession, policymakers realized that counties struggled to adhere to a work-first approach and meet the federal work participation rate (WPR) when the labor market was weak. Beginning in 2012, CDSS started creating new programs that addressed a client's whole family, and incorporated programs beyond conventional employment services (e.g., Family Stabilization and homelessness services) (CDSS, 2019; interview, CDSS, 2019). The Legislature passed SB 1041 in 2012 and implemented the Welfare-to-Work 24-Month Time Clock (WTW 24MTC) on January 1, 2013. WTW 24MTC authorizes a wide range of services to help WTW participants stabilize their families, remove employment barriers (e.g. mental health and domestic violence issues), and assist clients in pursuing educational degrees or professional certificates even if the services are not federally defined as core welfare-to-work activities. SB 1014 gives counties more flexibility to design their WTW programs and prioritize services that meet a family's need(s). To implement WTW 24MTC, CDSS established the statewide Online CalWORKs Appraisal Tool (OCAT) in 2013, which helps effectively assess a family's need, and place WTW participants in work activities or refer them to supportive service (CSDD, 2019).

The CalWORKs 2.0 initiative of 2016

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Unlike the top-down WTW 24MTC and OCAT implementation, the CalWORKs 2.0 Initiative is a bottom-up policy initiative led by the CWDA, the nonprofit association representing California's 58 county welfare directors. CWDA is committed to improving the social service delivery system that encourages self-sufficiency of families through advocate, education, and collaborations with stakeholders (*"Mission"*, n.d.). In 2016, CWDA collaborated with research institute Mathematica to introduce the CalWORKs 2.0 initiative, which attempts to transform CalWORKs from an approach that is "compliance-oriented", driven by state and federal policies, and institutes a work-first philosophy, toward a "two-generation goal-oriented" approach that is driven by family needs and aspirations, and evidence-based best practices (interview, CDSS, 2019; interview, CWDA, 2019). The CalWORKs 2.0 website was launched in 2016 and actively promotes family- and county-tailored service tools to frontline workers by providing training webinars and sharing best practices (CalWORKs: The Next Gen, 2016).

SB 89: CalWORKs outcomes and accountability review (Cal-OAR) legislation of 2017

Building on the effort, and the logic model, from the CalWORKs 2.0 initiative, SB 89 formed a working group (including clients, independent research organizations, advocacy groups, and counties) in September 2017 to develop process and performance measures that assist counties with self-assessment of CalWORKs system improvement plan. CDSS launched a Cal-OAR data dashboard in July 2019 to begin a three-year Cal-OAR implementation process that aims to provide data-driven insights for counties to pinpoint strategic planning for real-time and long-term service improvements (interview, CDSS, 2019).

These policy reforms have shifted CalWORKs from a work-first approach that focuses on providing employment services toward an alternative approach that encourages a wide range of services. Figure 1 shows the trends in the eight service delivery indicators from 2003 to 2018.

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Although the level of employment service utilization remains high (on average, CalWORKs provided 0.7 times of employment activity per participant per month), there is a statewide trend in increases in non-federally defined core WTW activities (including supportive service utilization, child care service utilization and human service utilization) after the 2013 legislation was implemented. Notably, and at the same time, the statewide exemption rate decreased from 43% in 2012 to 29% in 2018, and the statewide sanction rate increased from 14% in 2012 to 24% in 2018. These statewide trends point toward unintended policy effects that disproportionately affect access to cash aid for certain CalWORKs participants. Moreover, the increasing coefficients of variance for seven out of eight indicators suggest greater cross-county variation in multiple service dimensions in 2018 than in 2003 (see detailed information in note of Figure 1). These findings warrant a systematic analysis of multiple service indicators across the 58 counties in order to reveal patterns of cross-county variation in WTW service delivery.

Four WTW service orientations and their interrelated contextual characteristics

Our cluster analysis reveals four distinct WTW service orientations (Figure 2). We interpreted the four groups by comparing their service indicators. The box-and-whisker plot in Figure 3 presents the descriptive statistics of eight standardized service indicators, and displays the variation in these indicators within each group and across four groups. Each bar represents data for an indicator. If a service indicator's lower hinge (25th percentile) of a group is above zero, or a service indicator's higher hinge (75th percentile) of a group is below zero, we classify the group as having a strong orientation for a given type of service.

The first cluster of counties indicates an *employment service orientation*, which stands out for its higher-than-average employment service utilization and lower-than-average WTW service utilization (Figure 3). Counties in this cluster, compared to counties in the other three

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clusters, have the lowest average unemployment rate (4%), the lowest average poverty rate for female-headed families (23%), the lowest average percentage of Latino population (26%), and the highest average percentage of the population with a high school degree (86%) (Table 2).

The second cluster of counties shows a *sanction orientation*, which is characterized by a very high sanction rate, a lower-than-average exemption rate, and a low WTW service utilization rate in employment services, human services, ancillary services, and childcare services (Figure 3). Counties in this cluster possess the highest average unemployment rate (8%), the highest average poverty rate for female-headed families (36%), the highest average percentage of Latino population (48%), the lowest average percentage of Whites (40%), the lowest average percentage of the population 25 years and over with a high school degree (77%), and the lowest average fiscal constraint (an average ratio of expenditure to revenue of 0.98) (Table 2).

The third cluster of counties indicates an *education service orientation*, which demonstrates a higher-than-average education service utilization and has below-average scores in all additional service indicators other than a few exceptions (e.g., the four outliers above 0 shown in training service, human service, and childcare service). Counties in this cluster have the highest fiscal constraint (an average ratio of expenditure to revenue of 1.3), the lowest average percentage of Democratic voters (35%), the highest average percentage of a rural population (40%), and the highest average percentage of an African American population (Table 1).

The fourth cluster of counties indicates a *training service orientation*, which stands out for possessing the highest training service utilization rate, and has average performance in all other service indicators. Counties in this cluster have the lowest fiscal constraint (an average ratio of expenditure to revenue of 0.98), the lowest average percentage of an African American population (2%), and the highest average percentage of Democratic voters (41%).

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While our findings only point towards statistically significant difference in the mean percentage of a Latino population across four groups ($p < 0.05$, Table 2), our results do suggest potential racial disparity in WTW service orientations. The Latino population is highly overrepresented in counties with a *sanction-oriented* WTW system, while the White population is highly underrepresented in this system. The African American population is slightly overrepresented in counties with an *education-oriented* WTW system and slightly underrepresented in counties with a *training-oriented* WTW system.

Structural explanations for racial disparities in WTW service delivery

We are interested in understanding the structural factors (particularly, the racial composition) that explain why counties are more likely to possess a certain service orientation. Multinomial regression models provide estimates of the net associations between structural factors and the probability that a county has a service orientation by controlling for all the other structural factors in the model. Table 3 displays the average marginal effects from our multinomial regression analysis. We find that the probability a county will have a sanction-oriented WTW system is associated with a higher unemployment rate ($p < .05$), and a higher poverty rate for female headed household ($p < .05$). Racial composition of the population is no longer a significant predictor after controlling for all other characteristics of the county.

However, we find that higher proportions of a Black population ($p < .001$) and Latino population ($p < .01$) in a county are associated with a higher probability that a county has an education-oriented WTW system, even while controlling for all the other variables in the model. In addition to racial composition, a higher fiscal constraint ($p < .001$) and a higher proportion of the population being rural ($p < .001$) in a county also predict an education-oriented system. In contrast, a higher proportion of an urban population ($p < .05$) predicts an employment-oriented

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WTW system. The odds ratio estimated from our logistic regression model suggest that a less urbanized county with a high fiscal capacity and a high proportion of African American and Hispanic populations are more likely to have an education-oriented system as opposed to an employment- or training-oriented system (the full table with all odds ratios across four groups are available upon request).

Discussion

Our case study of CalWORKs shows that the SODR occurred in California as a policy reponse to address the negative impacts of the Great Recession on state service cuts and prevailing unmet family needs. Both the top-down and bottom-up welfare reforms in the SODR process, have shifted the focus from work-first oriented services to a diversity of services that help build human capital and remove barriers to employment in the post-recession period. Our trend analysis in service indicators shows a decreasing exemption rate and an increasing sanction rate in the post-recessionary period, suggesting that there may be unintended policy effects of SODR that affects who is included and excluded from CalWORKs cash aid. Triangulating these findings with CalWORKs annual summary reports (CDSS, 2015; 2019), and previous research (Cerven, 2013), we argue that exemption and sanctioning practices in California continue to reinforce the disadvantaged status of Latino and Asian immigrants and single mothers with young children. CalWORKs annual summary reports display a disproportional increase of sanctions for Hispanic and Asian participants (CDSS, 2015; 2019). The social constructions of Hispanic and Asian immigrants as economic threats that compete for jobs and resources with citizens (Brown, 2013) may have persisted during the weak economic period, and may help explain the increasing trend in sanctioning for these two populations. In 2009, CalWORKs temporarily exempted participants from the work requirement for participants if they had a child

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under the age of two (previously, the exemption was granted only if the child was under one year of age), or if the participant had two children under the age of six (Cerven, 2013). However, this exemption ended in 2012, and the state Legislature passed reform legislation in 2013 that required counties to “re-engage” these cases by January 1, 2015 (CDSS, 2019). Re-engagement, in fact, means re-imposing work requirements on single-mothers with young children who may face structural barriers to compliance the work requirements.

Our cluster analysis of multidimensional service indicators provide a holistic understanding of the local WTW service orientations beyond an univariate analysis of welfare sanctioning of cash aid. We identify four distinct WTW service delivery orientations: *employment-oriented*, *sanction-oriented*, *education-oriented*, and *training-oriented* service delivery systems. Our descriptive analysis reveals that *sanction-oriented* and *education-oriented* service delivery systems present intersecting structural disadvantages that are unique from the structural advantages found within the the *employment-oriented* and the *training-oriented* service delivery systems. We also found that counties with *sanction-* or *education-orientation* systems have a slightly lower percentage of WTW participants who enter employment (both 5%) compared to counties with *employment-* or *training-oriented* systems (both 7%) by further analyzing the 2018 enrollment data from the WTW25 forms. Given that the Latino population is overrepresented in *sanction-oriented* delivery systems, and the Black population is overrepresented in *education-oriented* delivery systems, hidden racial discrimination against the poor appear to operate within different types of WTW systems. Furthermore, our results show that Whites are most overrepresented in the *employment-oriented* system with multiple socioeconomic advantages and most underrepresented in the *sanction-oriented* system with

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multiple socioeconomic disadvantages, which suggests an embedded White supremacy in the local welfare and labor market systems (Delgado & Stefancic, 2017; Limbert & Bullock, 2005).

Our multinomial logistic regression analysis provides new insights into possible structural discrimination or racial bias within different types of WTW systems. First, our finding suggests that local labor market and economic condition appear to play a larger role than the racial composition in shaping punitive WTW systems. As our interview with a state government official from CDSS (interview, 2019), and previous literature indicates, local economies and labor markets determine the demand for WTW participants (Holzer & Stoll, 2003) and affect their long-term employment and earning patterns (Achdut & Stier, 2016). Instead of serving the economic needs of WTW participants, a punitive WTW system serves the needs of local employers by supplying WTW participants who are willing to accept low-paying and unstable jobs (Limbert & Bullock, 2005).

Second, our finding shows that a higher percentage of African Americans and Latinos residing in the population, a high county fiscal constraint, and a more rural environment predict the probability of a county having an *education-oriented* WTW system rather than an *employment-* or *training-oriented* system. Although *education-oriented* systems may emphasize the future economic return of human capital investment, the WTW program time limits discourage participants to pursue long-term post-secondary education (Cerven, 2013; Michalopoulos, 2004). Furthermore, issues with job (mis)match in a rural area that lacks of economic resources should not be overlooked. In *training-oriented* and *work-oriented* systems – which are found in counties with a higher percentage of Whites and multiple socioeconomic advantages – appear to possess a better job match, which increases the chance for WTW participants (who, in this case, are predominately White) to find a job at the end of the program.

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In sum, we argue that SODR shapes intersecting gender, racial, and class dynamics, and reproduces White supremacy through structural mechanisms in all four types of WTW service delivery systems. We find that poor, Latino single mothers living in counties with a *sanction-oriented* service delivery system are at risk for experiencing the most severe, multi-dimensional disadvantage within CalWORKs.

Limitations and Directions for future research

Our paper has several limitations. *First*, the results from California cannot be generalized to other states with different demographic, socioeconomic, and political contexts. However, our study provides a holistic understanding, and structural features, of WTW service orientations. Future research can conduct nationwide studies to examine the potential structural discrimination and intersectionality of local WTW service delivery systems in the U.S. *Second*, we are unable to include the characteristics of welfare offices (e.g. the number, or racial composition, of employees) and county-level workforce and education resources in our model due to data limitations, although interviews with CalWORKs stakeholders pointed to the importance of this information. Given the interconnectedness between welfare systems, labor markets, and educational institutions, and their ability to influence the lives of WTW participants, future research should focus on social equity issues and the interconnectedness of welfare, workforce, and education delivery systems. *Third*, our analysis focuses at the county-level, which limits our explanation for individual experiences of discrimination at the aggregate level. We suggest that future research considers interviews with individual CalWORKs participants, frontline-workers, and program administrators to provide a more complete picture of the mechanisms through which CalWORKs participants experience discrimination and/or unfair treatment.

Policy Implications

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Policy goals and performance measures. The ongoing reforms of CalWORKs introduced after 2013 demonstrate innovative solutions to improving WTW programs, and encourage developing diverse pathways for economic improvement among families with children in poverty. The Cal-OAR legislation of 2019 shows that state government plays a critical role in setting infrastructure and performance measures that direct county-level welfare implementation. With such a highly devolved welfare system, we suggest that the federal government reform the work-first oriented TANF and its performance measure (i.e., the WPR) to include diverse, short-, and long-term performance measures of economic improvement (e.g., employment stability, increased earnings, post-secondary education achievement, poverty reduction). Furthermore, each performance measure should include a racial dimension to assess (unintended) racial disparity and bias in TANF policies, regulations, and service delivery systems. Without monitoring racial disparities in service delivery, the welfare system will continue to maintain and reproduce racial inequality.

Equitable Standard of service delivery. Our study shows that the well-sounding claim of improving the lives of needy families, and encouraging freedom of choice for counties and families, continues to reproduce intersecting racial, class, gender, and spatial oppressions for the most vulnerable of CalWORKs participants. Future welfare reforms at the state and federal levels should re-assess the policy tradeoffs between freedom and equity. Our research suggests that state and federal government holds greater responsibility in setting equitable standards for service delivery in order to improve social inequities found in TANF.

Funding. A county's fiscal capacity shapes that county's WTW service delivery orientation. Specifically, *education-oriented* orientations are more likely to be found in a rural county that has a lower fiscal capacity. Critiques have argued that the TANF block grant system produces negative impacts for needy families because total available funding has not been adjusted to keep in line with inflation, and many state governments only spend small or partial funding on cash aid and WTW services (Schott et al., 2019). Future federal reforms should adjust the annual funding that is allocated to states to keep in line with inflation, set a minimum amount

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that states are required to allocate to WTW services. Moreover, federal and states governments should factor in the spatial disadvantages (e.g., the unemployment rate and poverty rate) to inform a redistributive formula that ensures an equitable distribution of funding. For example, in California, the state government allocates a redistribution fund to certain counties in addition to a single allocation to each county's CalWORKs program.

Racial Equity Initiative. We recommend developing system-wide collaboratives, comprised of representatives from welfare departments, local employers, and education systems, to develop clear direction to achieve equity and diversity in WTW programs. These collaboratives could be modeled after the California Workforce Development Board, a CDSS-initiated cross-system partnership that promotes the “building of career pathways and programs and partnerships for WTW participants, including participants at community colleges” (California Workforce Development Board, 2016). Multiple interviews with state administrators (interview, CDSS, 2019) suggested the importance of collaboratives like the California Capitol Cohort, which builds racial equity capacity within state government (California Strategic Growth Council, 2019). A future promising practice would also include coordinating CalWORKs 2.0, the Cal-OAR Dashboard, the Welfare-Workforce Partnership, and the California Capitol Cohort to establish best practices to address both individual and structural barriers in WTW pathways. Perhaps the experiences and innovations observed in California can support the development of other states' WTW programming, and facilitate a bottom-up welfare reform in the U.S. welfare system.

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Table 1. WTW Services indicators, Structural Variables, Measures, and Sources

a. WTW service indicators		
Indicator	Measure	
Exemption rate	Percentage with the number of exemptions divided by the denominator summing up the numbers of exemption, sanction, and WTW enrollees.	
Sanction rate	Percentage with the number of sanctions divided by the same denominator.	
Employment service utilization	Ratio with the numerator of the total number of five types of employment activities (i.e., job search/readiness assistance, unsubsidized employment, self-employment, subsidized private sector employment, and subsidized public sector employment) and the denominator of unduplicated WTW service users.	
Training service utilization	Ratio with the numerator of the total of six types of training activities (i.e., on-the-job training, work-study, supported work, work experience, community service, and job skills training) and the denominator of unduplicated WTW service users.	
Education service utilization	Ratio with the numerator of the total of four types of education activities (i.e., vocational education, education directly related to employment, adult basic education, and satisfactory progress in a secondary school) and the denominator of unduplicated WTW service users.	
Human service utilization	Ratio with the numerator of the total of three types of human services (i.e., mental health services, substance abuse services, and domestic abuse service) and the denominator of unduplicated WTW service users.	
Supportive service utilization	Ratio with the numerator of the total of transportation and ancillary services and the denominator of unduplicated WTW service users.	
Childcare utilization	Ratio with the numerator of the total number of WTW families receiving child care and the denominator of unduplicated WTW service users.	
b. Structural variables		
Variable	Measure	Data Source
Four racial composition percentages	The percentage of the total population who are White, African American, Asian, and Hispanic/Latino, respectively.	Cal-OAR Dashboard data
Unemployment rate	The number of unemployed (people who are jobless, actively seeking work, and available to take a job) as a percentage of the labor force	Cal-OAR Dashboard data
Poverty rate for female-headed families	The percentage of female-headed families whose total income falls below the official poverty threshold.	Cal-OAR Dashboard data
High school degree rate	The percentage of the population who are 25 year old and over and complete a high school degree	Cal-OAR Dashboard data
Fiscal constraint	A ratio of the total county expenditure to total county revenue	California State Controller's Office, FY2017-2018
Urban population	The percentage of the population who are resident in an urban area	2013-2017 American Community Survey (5-year estimates)
Democrat	The percentage of registered voters who are Democrat	California Secretary of State, 2018 General Election, 60-day report

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Table 2. Structural Characteristics by Service Orientation

	All (N=55)	Employment-Oriented (N=22)	Sanction-Oriented (N=8)	Education-Oriented (N=14)	Training-Oriented (N=11)	Mean Difference Test F-Test
Black	0.03	0.03	0.03	0.04	0.02	0.77
Hispanic	0.30	0.26	0.48	0.29	0.29	*0.03
White	0.54	0.58	0.40	0.57	0.55	0.13
Asian	0.07	0.08	0.05	0.05	0.09	0.54
Unemployment rate	0.05	0.04	0.08	0.06	0.04	**0.00
Poverty rate	0.27	0.23	0.36	0.28	0.25	0.23
High school degree rate	0.84	0.86	0.77	0.84	0.85	0.92
Fiscal limit	1.00	0.99	0.98	1.03	0.98	*0.04
Urban population rate	0.73	0.77	0.79	0.60	0.78	*0.02
Democrat	0.38	0.38	0.39	0.35	0.41	0.46

* p<0.05, ** p<0.01, *** p<0.001

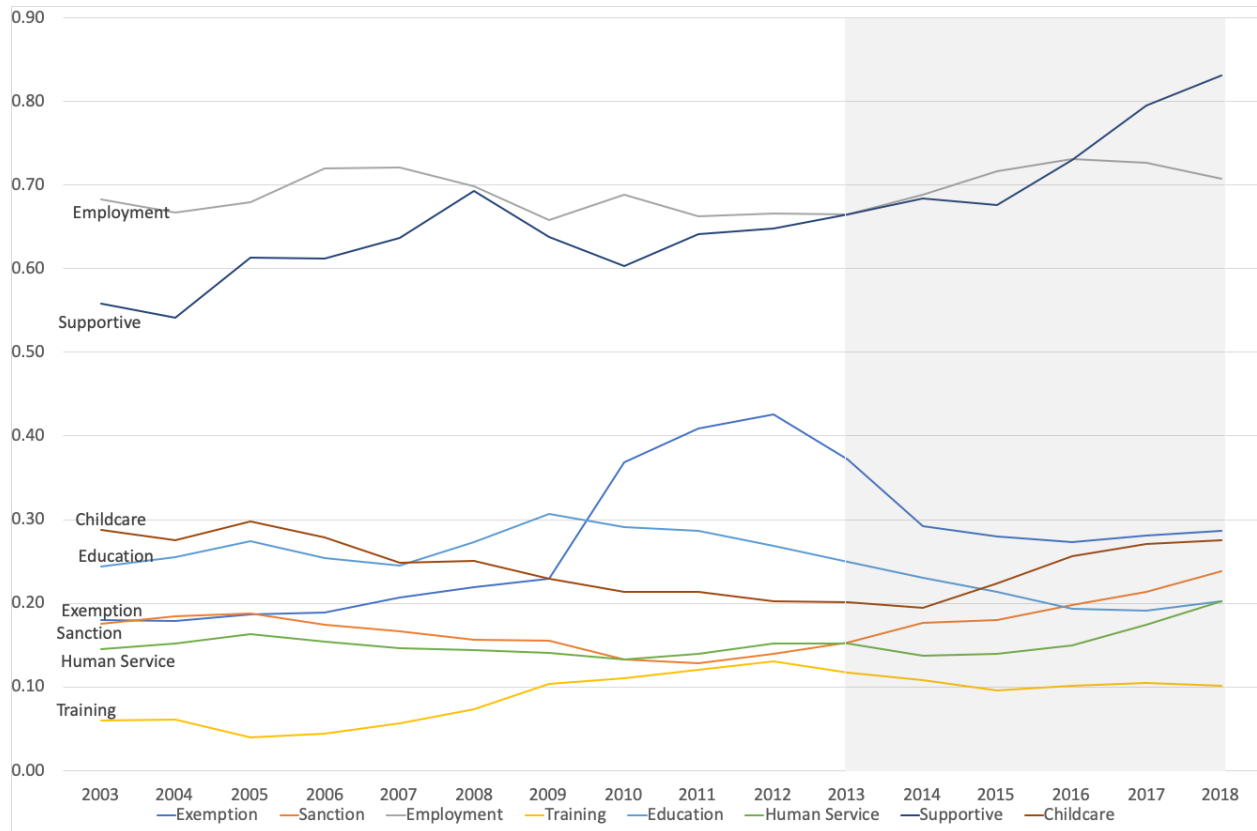
Table 3. The average marginal effects on service orientation from the multinomial logistic regression model

	Employment-Oriented		Sanction-Oriented		Education-Oriented		Training-Oriented	
	dy/dx	Std. Err.	dy/dx	Std. Err.	dy/dx	Std. Err.	dy/dx	Std. Err.
Black	-1.11	(2.34)	1.00	(1.45)	4.60***	(1.30)	-4.49	(2.43)
Hispanic	-1.49	(1.11)	0.36	(0.68)	2.64**	(0.85)	-1.51	(0.93)
Unemployment rate	3.16	(6.97)	6.64*	(3.18)	-0.41	(3.77)	-9.40	(7.40)
Poverty rate	-0.02	(0.01)	0.01*	(0.01)	0.00	(0.01)	0.00	(0.01)
High school degree rate	-0.02	(0.03)	0.03	(0.02)	0.04	(0.02)	-0.05	(0.03)
Fiscal constraint	-0.60	(1.54)	-3.37	(2.06)	4.61***	(1.11)	-0.64	(1.37)
Urban population rate	0.82*	(0.36)	0.06	(0.26)	-1.06***	(0.28)	0.18	(0.32)
Democrat	-1.36	(0.88)	0.22	(0.62)	0.93	(0.80)	0.21	(0.72)

* p<0.05, ** p<0.01, *** p<0.001

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Figure 1. Statewide trends in service indicators, 2003-2018



Note. 1. Three key pieces of SODR legislation/initiative occurred in the highlighted time period.
 2. Cross-county variation in service indicators, and percent change from 2003 to 2018:

	Exemption	Sanction	Employment	Traning	Education	Human Servic	Supportive	Childcare
2003	0.34	0.51	0.22	0.99	0.47	0.87	0.58	0.45
2018	0.38	0.53	0.40	0.94	0.53	1.15	0.61	1.41
percent change	11.52%	3.93%	84.37%	-5.24%	12.91%	31.19%	4.40%	212.76%

Figure 2. Dendrogram of County WTW Service Systems and Mapping

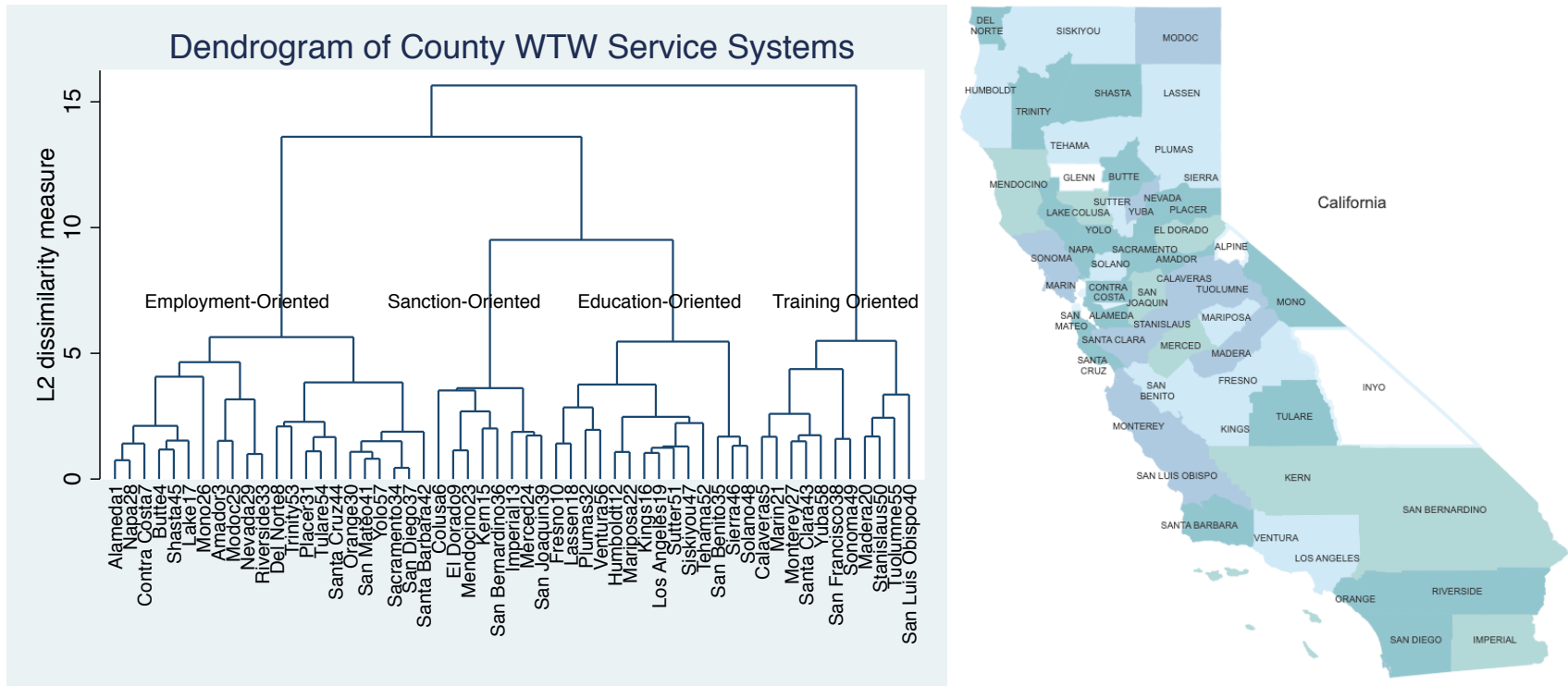
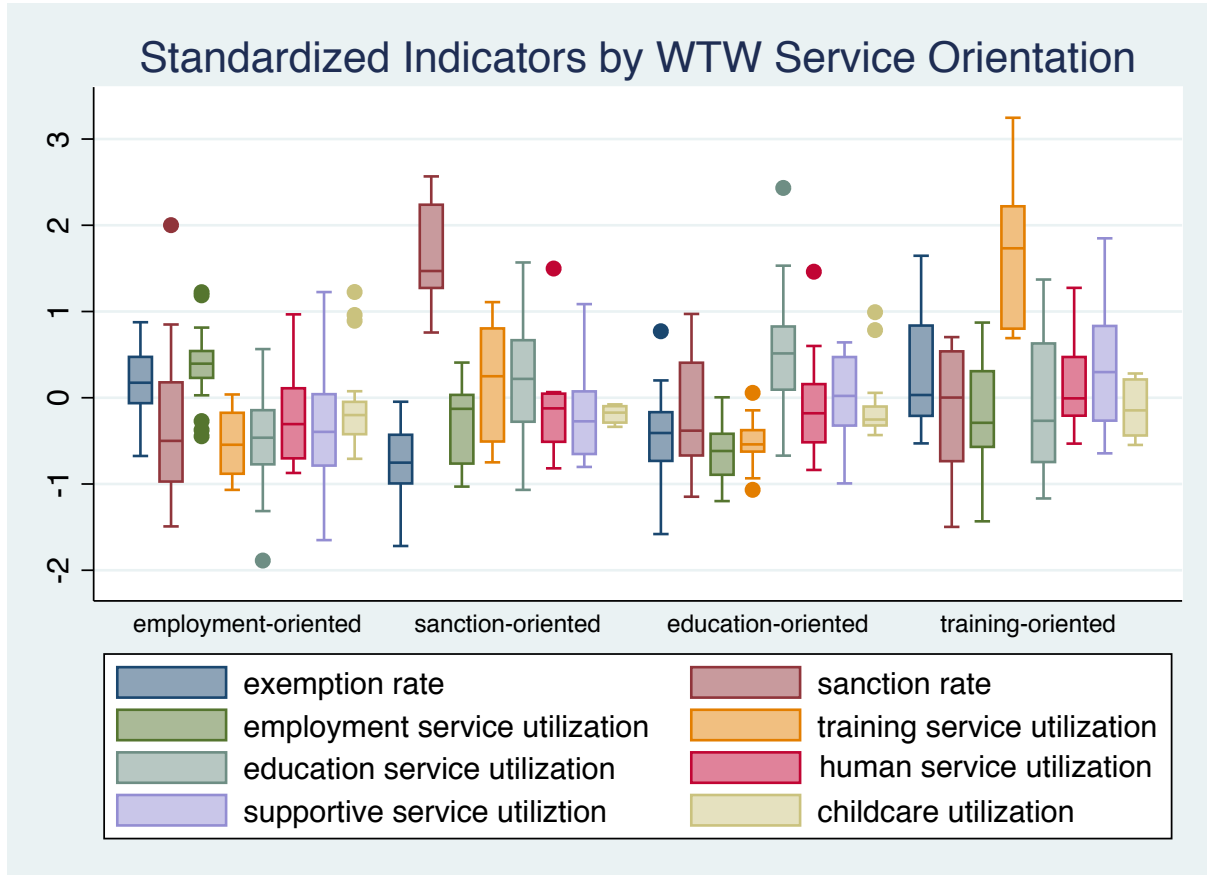


Figure 3. Standardized indicators by WTW service orientation



Note. The number in the Y-axis indicates the standard deviation above and below the average value of all counties.