



Transforming Welfare into Work: W2 as Policy Innovation and Leadership

By Michael Flaherty

In the fall of 1993, Democrats controlling the state Legislature dealt then-Gov. Tommy Thompson what they thought would be a fatal political blow: They attempted to call his “bluff” just as he was testing new ways to reform Wisconsin’s welfare program.

They voted to end Wisconsin’s welfare program, Aid to Families For Dependent Children, by 1999. Democratic leaders knew terminating AFDC would place Thompson in the untenable position of having to walk away from a federally mandated program, possibly in violation of federal law.

The next day, Thompson and two top aides, Gerald Whitburn and Jim Klauser, met for breakfast at the governor’s residence to determine what to do next. “I told him he had to veto it,” Whitburn recalls. “It was the law. If he didn’t veto it, he could actually lose his job.

“Tommy told me to go to hell,” he laughs.

“I’m not sure I said that,” Thompson recalls. “But Jerry was flabbergasted when I told him I’m not going to veto it. I’m going to sign it.”

Thompson signed the bill into law, forcing everyone’s collective political hand. Thompson suddenly had a wide-open door through which he could take new welfare reform ideas. Democrats couldn’t mount effective opposition because they essentially required him to create a replacement, which Thompson’s team was already developing and testing in the form of pilot projects around the state.

By eliminating welfare, the Democrats allowed Thompson’s to create a “new universe from scratch,” recalls Jason Turner, who worked under Whitburn as a W-2 policy leader. What that meant, he adds, is that Tommy didn’t have to work with the Legislature to tweak or rewrite existing law. He was free to create something entirely new.

That “new universe” became reality in April, 1996, when Thompson signed “Wisconsin Works” into law.

“W-2,” officially launched the next year, transformed AFDC from a financial support program that delivered monthly checks to low-income single mothers into a comprehensive statewide jobs program. From that point on, women who were able to work but needed government support to help raise their children would have work at a job in exchange for the assistance.



“Tommy took a huge risk,” Whitburn says. “I advised him not to do this. But he knew instinctively it would work. And he was right.”

The launch of W-2, says Whitburn and others who worked for Thompson at the time, was the ultimate demonstration of innovative policymaking and strong, creative thinking by a Republican governor interested in new ways of solving problems. It also demonstrated the leadership skills required to convert those ideas into workable programs that voters, taxpayers could accept and support.

The launch of W-2 is history. It was a policy revolution that thrust Wisconsin as a laboratory of policy innovation into the center of national research and scholarly debate on welfare reform. It was a new approach that served as a policy cornerstone for federal welfare reform. And it was a first-of-its kinds policy innovation that convinced President George W. Bush to make Thompson his secretary of Health and Human Services in Washington, D.C. where Thompson would take charge of the entire nation’s still-evolving welfare reforms.

From the launch of Thompson’s first attempts to control the exploding cost of AFDC through the first year of Wisconsin Works, Wisconsin’s welfare caseload dropped by 60 percent with those remaining families earning \$5,000 a year more, Thompson wrote in September 1997 in a Heritage Foundation white paper he wrote called “The Good News About Welfare Reform. Wisconsin’s Success Story.”

While W-2 cost more to implement than AFDC, the dramatic plunge in welfare caseloads reduced welfare spending in Wisconsin from \$589 million at its peak to \$272 million a year, Thompson wrote. “We were sending out welfare checks totaling \$46 million a month. We now send out checks totaling \$21 million.” More importantly, he wrote, social indicators for those families were all trending positive, including a 15 percent drop in child abuse cases, a drop in child poverty, lower dropout rates and better scholastic scores.

Over the years, Thompson has received national and international accolades for W-2’s new approach to welfare policy that broke the political and policy gridlock that had flummoxed lawmakers, past presidents and scholarly researchers.

But the backstory of W-2s success is frequently overlooked -- and may offer lessons for future governors, lawmakers and legislative leaders. That backstory is the personal skills and leadership skills Thompson displayed as governor in order to overcome enormous political and practical obstacles that he faced for an entire decade as he tested and implemented nearly a dozen pilot programs that led up to his signing of W-2 into law.

For Thompson and his team, the path of W-2 was long and arduous. It started in the 1970s when then-Assembly Minority Leader Thompson began hearing stories about the calamitous failures of AFDC in Wisconsin -- even the impact it had on business creation



and jobs. Welfare reform became a central theme in Thompson's first campaign for governor in 1986.

Once elected, he began testing new reform ideas in the face of political opposition from Democrats who controlled both houses of the Legislature, most of whom were not enamored with the idea of a Republican sitting in the East Wing.

His ideas drew fierce public criticism from social welfare advocates who argued the reforms were little more than a thinly veiled effort to throw women off welfare rolls. They drew intellectual opposition from national columnists and scholars. Even some of those willing to test the ideas, such as many county executives and welfare program managers, expressed deep skepticism about whether the reforms would actually work, who would implement them and how they would be financed.

His welfare reform ideas also sparked racial protests as the vast majority of Wisconsin's welfare recipients were in Milwaukee, and the majority of that city's AFDC recipients were low-income single African American women with children. Even some Republican conservatives chimed in to oppose W-2, arguing that W-2 was actually more expensive and a socialistic expansion of government's role in the lives of tens of thousands of families.

Yet, despite a small army of motivated opponents and skeptics -- and the fact that welfare dependency was an enormously complex social problem to tackle -- then-Gov. Tommy Thompson prevailed. The reason, his friends and even some of his critics said in interviews, is that Tommy Thompson brought a unique blend of policy acumen, political instincts, and leadership skills that ultimately resulted in Thompson winning enough hearts and minds to sign "Wisconsin Works" into law on that spring day in 1996.

In short, they agreed, Thompson was the reason fundamental welfare reform ideas could be discussed and developed in Wisconsin. His personal leadership skills were the reason those big ideas could have culminated into a workable and comprehensive statewide program that served tens of thousands of people with a host of new forms of assistance that converted AFDC from a cash assistance program into what essentially became a jobs program with the goal of helping them ultimately get a job, leave the welfare rolls, and provide a future for their children.

"W-2 could not have happened without Tommy Thompson," Connie O'Connell, his former policy director, says flatly. "In fact, this may sound a bit corny, but I don't think Wisconsin will ever see another governor like Tommy Thompson in our lifetimes -- or maybe even in the state's history. It was amazing time -- and we were privileged to be part of it."

"People forget that for the first seven years of these reforms, Tommy had to work with a Democratic majority in both houses of the Legislature," says his former chief of staff, Bill



McCoshen. Through his own personal power of persuasion, “Tommy was able to convince people there was a better way. He had an unbelievable way of getting everyone to ‘yes.’ Not only did they say ‘yes,’ he adds, Thompson was such a strong champion for his ideas that he was reelected in 1994 by 68 percent of the vote -- and had an approval rating nearly as high as his name recognition.

O’Connell’s and McCoshen’s assessment of Thompson’s policy vision and leadership skills were echoed in several interviews with friends and past staff. Thompson’s skills also align with what experts define as critical leadership skills. What is rare, experts note, is for one person to hold so many of those skills simultaneously. What is even rarer, McCoshen added with a touch of sarcasm, is for today’s political leaders to display those skills -- or even wish to acquire them.

Thompson says he didn’t pay any attention to leadership skill development -- or what constituted a great leader. “You can’t learn to be a great leader,” he says. “I never thought about that. I was focused on doing things to make Wisconsin a great state. That’s all I cared about -- and everyone knew that’s what motivated me. And that’s why I think I was successful.”

Still, the development of W-2 and its enactment into a workable program remains a template of success for future governors and political parties interested in new ideas -- and actually implementing them. Thompson wasn’t perfect, his friends joke. But he possessed a wide variety of skills and leadership strategies that allowed his administration to succeed, including:

- Vision. A willingness to think big and consider new, innovative ideas to solve problems.
- Authoritative passion. The ability to passionately and repeatedly communicate ideas and goals combined with an intellectual command of the organization and its functions, such as products and services.
- Communication skills. The ability to convey those ideas to a broad array of audiences to win support. Those audiences are internal, such as employees and managers; and external, such as customers, voters, investors, supporters and opponents.
- Listening/relationship building. Critically important among those communications skills is the ability to reach out to all audiences. Success rests in the ability to listen to those audiences, which builds understanding and acceptance of new ideas, and builds trust in the leader advocating them -- even among those who remain opposed.
- Risk taking and flexibility. Big ideas require a willingness to take risks to implement new ideas -- while also showing a willingness to adjust to problems and unexpected challenges.
- Team leadership and management. The ability to recruit talented people, assign



them goals, empower and trust them to do their jobs, then hold them accountable for success.

Vision -- The politics of welfare reform

Thompson insists that he didn't have a big vision to reform the state's welfare system. Rather, he says, Wisconsin's welfare programs were rife with problems -- and that the debate was already swirling over what to do about them.

"I was lucky," says Thompson modestly. "I didn't run for office just to reform welfare. I ran for office because I genuinely felt I could help make Wisconsin better. In the case of welfare, I saw a problem and I reacted. Something needed to be done and I knew it had to be big. So we did."

Thompson's "something big" was in reaction to a political problem that was already heating to a boil.

Even as early as the 1970s, Wisconsin -- and especially Milwaukee -- were gaining a reputation as a "welfare magnet," a state that was attracting low-income people for its welfare benefits which were among the most generous in the Midwest.

"We heard stories of people traveling from Chicago, picking up a welfare check, then heading back to Chicago," Thompson recalls. "There was a story in the Kenosha News about cars with Illinois license plates that would appear in the city the day welfare checks were issued."

Thompson even recalled a story of a Greyhound Bus poster offering Chicagoans a \$25 round-trip fare that would take them to Milwaukee to pick up their welfare check and return the same day.

Regardless of whether they were true, the statistical realities of welfare in Wisconsin were looming large as the numbers of low-income single women enrolled in AFDC spiked to nearly 100,000 in 1987 with projections that it would rise to 135,000 by 1993 unless the program underwent serious reforms.

Equally serious was an explosion in Wisconsin of low-income single women having children -- a nationwide phenomenon in which one in seven children were being born to low-income single women who would require government support at some point. "Tommy and I were on a hunting trip near the Dells," Whitburn recalls. "I told Tommy: 'Do you realize how many children were born last year in Wisconsin to mothers who couldn't afford them (those receiving AFDC)? It was 14,000. Tommy was aghast.'"



Thompson says public debate over what to do about it was so loud that it became a central theme of the 1986 election during his first campaign for governor -- and was likely a reason he was able to defeat an incumbent Democrat to become governor.

“(Then governor) Tony Earl challenged me to a debate at Music Hall on the UW-Madison campus. I took him up on it. Tony accused me in that debate of wanting to cut welfare benefits for the poor people, and that I wanted to turn Wisconsin into Mississippi. I responded to him that if we don’t do something about welfare, we won’t have to worry because everyone in Mississippi will come here for our benefits.

“People really responded to that answer -- and I realized that this wasn’t just a needed policy reform, but that the idea had more political support than I thought. I also think it also marked the beginning of the end of Tony’s campaign.”

Once elected, Thompson says his welfare reform vision started taking shape. He met with then-President Reagan who promised support in the form of waivers. “He gave me a green light to be a national leader in welfare reform experiments.”

He also empowered his Department of Health and Family Services, headed by a Democrat, Tim Cullen -- now a state senator - to start implementing ways to first get AFDC under control, then figure out new ways to approach welfare reform other than simply writing checks to poor single women who have children. The Indianapolis-based Hudson Institute, a think tank exploring new policy ideas, later joined Thompson’s team offering intellectual support to help research, propose and refine new approaches to welfare.

“I told them I would welcome their support, but I wasn’t going to pay them,” Thompson jokes. “But they came anyway and really helped us build these new ideas, most of which would require federal waivers.”

Thompson’s team courted -- and received -- federal support for his vision continuously through the administrations of Ronald Reagan, President George H.W. Bush and even Democrat President Bill Clinton. Prior to launching W-2, Thompson’s welfare reform team launched 11 test programs such as “Bridefare,” “Learnfare,” and “Work Not Welfare” -- a form of the “Wisconsin Works” that was tested in several counties.

“As we became more successful, people trusted us to do even more,” Thompson says. “And I think the public really responded to it.”

What was central to the team’s vision, however, was that Thompson wasn’t just a crusader for new public policy ideas, he was also a student of them. “I don’t think Tommy got enough credit for that,” says McCoshen, who noted that Thompson was always exploring new ideas. More importantly, he understood both the big picture of those ideas as well as having



the ability to quickly grasp the granular programmatic and legalistic details required to make would them to work successfully.

Partly because of that vision, Thompson's drew increasingly broad support. Welfare reform was already politically popular with some polls show nearly two-to-one support; But Thompson was also able to translate that vision into electoral success. He was re-elected in 1990 with 58 percent of the vote, and re-elected again four years later with nearly 68 percent of the vote, says McCoshen, who adds that Tommy's electoral success set records that still stand today. "I doubt we'll ever see anything like that every again."

Equally important in 1994, was that Thompson's vision also helped spur voters to seat a new Republican majority in the Legislature giving Thompson new political strength as he implemented his vision for a new approach to one of the nation's most vexing social problems.

It's difficult to see in today's divisive political climate, McCoshen notes. But Thompson showed Wisconsin that for leaders with a strong vision and the ability to persuade and build trust, good policy can still be good politics.

Authoritative Passion

To supporters and critics alike, Thompson -- if given credit for no other qualities -- was a relentless "champion" of Wisconsin, a tireless, personable relationship builder, and an avid storyteller who was both passionate and carefully protective of his reputation and his administration's successes.

W-2 succeeded, in part, because those qualities helped Thompson's team win public support and overcome obstacles, most of which were unimaginable to a young governor's staff and think tank intellectuals with big policy vision but little day-to-day political experience.

Thompson downplays those personal skills, but admits that his experience as Assembly minority leader probably formed the personality traits that he would later rely upon as governor.

First among them is that he says he was passionate about ideas, was willing to discuss them with anyone at any time, and was willing to reach out to everyone -- proponents, critics, Democrats, fiscal conservatives, minority groups -- to help build support to get things done.

"I see myself as a bridge builder," Thompson said. "But that was out of necessity. As minority leader, I had to work with the Democrats to get things done -- and I think they trusted me."



During the long struggle over welfare reform, “I had (the late Kenosha Democratic Sen.) Joe Andrea in my office every week wanting to know what we needed to do to help Kenosha. We didn’t always agree. But we trusted each other. He knew my word was good. And he knew I cared. My philosophy was that once I was elected, I was governor of all the people.”

That’s one reason, he says, that Kenosha County was one of the counties selected early on to test parts of what would become Wisconsin Works.

“He was tireless,” McCoshen recalls. “This was in the days before smart phones, so Tommy would go out and make seven or eight stops during the day, then come back to the office and put in another four hours. There was a reason he hired young people in his office. But even we had trouble keeping up with him,” he jokes, noting that Tommy went through seven young chiefs of staff in the 14 years he was governor.

Listening

Thompson was a bridge builder, but one of the reasons for his success in building those bridges was because, by all accounts, he was a great listener.

In fact, Thompson says, his greatest decision during the formation of what would become W-2 was to take time to talk to young women who were actually enrolled in AFDC to learn what their lives were like, and what they needed to succeed.

“Before we really got started, I wanted to talk to the people who were actually in these programs,” Thompson recalls. “So I held a series of lunches at the residence with groups of these women, six or seven at a time. I wanted to hear their stories. I wanted to learn about their hopes and goals.

“I think they were a bit intimidated at first. But once they opened up, I learned a lot. They said they did hope to get off welfare and have a better future for their children. So I asked them what they needed to succeed, and I listened carefully to what they had to say.”

What those women told Thompson over lunch became the core of what would become W-2: Jobs they could work at without extensive training or new education; Child care so they would work without abandoning their children; Transportation that enabled them to get to work; And health insurance that, at the time, was a major reason many women said they couldn’t take a job and leave welfare for fear of losing their Medicaid health insurance.

“They told me that’s what they needed. And that’s what we did,” Thompson says, adding that it wasn’t just a one-way discussion. “It also was the start of building trust. They realized I was serious. They saw I really was listening and that I really was trying to build something that would help them improve their own lives.”



To build support for W-2, Thompson and his team worked simultaneously at many levels, reaching out on a national level to scholars, Congress and the national media. And Thompson never stopped reaching out. "I worked the phones hard. I tried to reach out to everyone I could."

Whitburn was also on the phone reaching out to national scholars and journalists, many of them familiar to Wisconsin, including former HSS Sec. Donna Shalala, and former Harvard Kennedy School of Government scholar Becky Blank, now UW-Chancellor. The list also included scholars and authors such as Ron Haskins from the Brookings Institution and William Julius Wilson, author of "The Truly Disadvantaged" and Bruce Reed, former president Clinton's policy chief. "I'd have them over to my house for dinner," Whitburn says. The flurry of national attention created an energizing environment in the Capitol's East Wing and at DHSS, where Whitburn had become secretary. "It was a boost to our young staff. I think the whole atmosphere excited them and motivated them."

Thompson says that the most delicate challenge was dealing with accusations that W-2 possessed an element of racism as the majority of AFDC cases in Milwaukee and Racine counties were African American. There too, Thompson says, the key was to reach out directly to them, talk to them -- and listen.

"We truly believed we were doing the right thing, trying to make peoples' lives better. So when people saw this, I think we started gaining their trust."

Thompson says he reached out to black ministers in Milwaukee to talk about his ideas; He attended their church services. When parts of W-2 were rolled out as pilot projects and drew protests, Thompson says he personally attended their rallies to talk to them about what he was doing and why.

When W-2 was finally launched, it drew protestors who picketed daily in front of the governor's executive residence in Maple Bluff.

"You know what I did?" I brought coffee and cookies out to them. I poured the coffee and I talked with them many times about why I felt this was so important," he says, adding that he may not have changed many minds, but did demonstrate that he cared about what they had to say --and that his motives were true reform, not political posturing.

As W-2 was being tested in pilot projects around the state, the collection of Thompson's papers at the Marquette University Library's Tommy G. Thompson Collection shows that this team also held dozens of listening sessions with Democrats, social advocacy opponents and welfare managers. They reached out and sought input from almost everyone with a stake in the future of welfare programs in Wisconsin.



“What we had going for us, even in Milwaukee, was a general agreement that AFDC was broken and that we had to do something,” Thompson says. “So we were able to build trust and support over time for what we were doing. Over time, people grew to trust us more and more -- and the more we were able to do.

Thompson says W-2 never became a huge race-based protest movement because he worked hard in Milwaukee to keep channels of communication open with the African American community as well as seeking out input and support from African American lawmakers in the Legislature, such as Sen. Gary George and Rep. Antonio Riley, D-Racine. Riley voted against W-2, he says, but at the same time understood the need for fundamental reform.

Thompson’s team also performed in an area in which subsequent governors have failed miserably: Taking a “listening” and relationship-based approach to working with the media.

Thompson empowered several of his W-2 leaders, including J. Jean Rodgers who headed the W-2 program effort at DHFS, to talk with Wisconsin reporters, addressing their questions candidly and sincerely, including responding directly to questions about problems the pilot projects would inevitably encounter -- and what they were doing to correct them.

“We had a lot of talented people who really know how to talk with reporters,” recalls Jim Malone, DHFS’s former communications director. “They knew the programs and the issues, and they were passionate about the philosophy and goals of W-2, so it made sense to let them take the lead and talk with reporters.”

That philosophical management approach to media relations also revealed another Thompson leadership strength: He liked to hire lawmakers or other public officials to serve as his cabinet secretaries because they understood the interface between policy and politics -- and, more importantly, they understood that success in politics means reaching out, communicating, and listening were central to success.

Cullen was one example, which Thompson repeated with his choice of Joe Leean as his DHSS Secretary under whose leadership W-2 would actually be implemented. Leean was an experienced state senator from Waupaca who understood W-2 as former co-chair of the Joint Finance Committee. More importantly, like most elected officials, he was a natural storyteller and communicator. He knew how to talk to his audiences, including the media.

“He was incredible, ” says Malone, who says it was he who coined Thompson’s welfare reform package as “Wisconsin Works” -- a “brand” that most observers saw as a brilliant way to immediately communicate the program’s vision and goal.



“Joe had this booming, friendly voice. He was open and candid with reporters -- and he could answer even the most complicated questions without having to prepare.”

Malone says the team prioritized Wisconsin reporters, with everyone on the team instructed to respond to them as quickly as possible. National media calls were received by Malone and directed to the most appropriate team member.

Whitburn was key, however, Malone adds. “He loved working with the national media and was great at reaching out to them.” By reaching out and connecting with national media, Wisconsin’s welfare reform experiments gained national coverage from prominent newspapers with New York Times and the Washington Post devoting extensive continuous coverage of W-2 and the pilots that preceded it. Jason DeParle, the New York Times reporter covering welfare reform, wrote extensively about Wisconsin Works, culminating in his 2005 book: *American Dream: Three Women, Ten Kids, and a Nation’s Drive to End Welfare* which explored the complex and diverse lives of families on welfare and how welfare reforms helped those families rise out of poverty or, in some cases, remain mired.

“The more national media attention we got, the more support we got nationally, and the more we felt we could do,” Malone recalls. “It just kept building” -- and a long-term media strategy based on a group approach to story telling was an important factor.

Even when criticized, Thompson and his team seemed undeterred. J. Jean Rogers was the curt, no-nonsense administrator of W-2 whose candor also helped build respect among reporters, who many times asked tough questions.

For example W-2 was heavily criticized by social welfare advocates for eliminating tuition assistance and considering education as a “job” under W-2, which they argued would certainly help women become employable and rise from poverty. Rogers was frank, responding that having children out of wedlock “is not a scholarship program.” That didn’t soothe critics, but it resonated strongly with voters.

Risk taking and flexibility

From the beginning, W-2 was a policy and political risk. It was a vast undertaking -- and it represented radical change.

But Thompson’s skills as a tireless champion for Wisconsin and a strong communicator allowed him to take those risks, then overcome or bridge challenges along the way.

And there were many. A primary challenge was the \$340 million price tag, \$40 million more than the AFDC program it replaced, Thompson told the New York Times the month W-2 was launched.



The higher cost was inevitable as AFDC, after all, was primarily a program in which counties determined eligibility, then wrote monthly checks to low-income single mothers. W-2, on the other hand, was a complicated system of subsidized jobs and job training, subsidized childcare, state-funded transportation assistance, and the creation of a new form of state health insurance for people who would no longer technically be poor.

To conservatives, especially in Congress, W-2 wasn't just expensive, it was also a major expansion of government. Thompson says he was undeterred. Instead of being defensive, he says, he played offense, fiercely advocating for his reform ideas, especially in front of national critics. And more than once, he went directly to Congress to tell his story.

"I testified (at more than one congressional committee hearing). I told them, you can't do welfare reform on the cheap. If you're doing to do it right, it's going to cost you more money up front. But it's the right thing to do -- and if you do it right, you will see long-term savings." Thompson won over his conservative critics, and the principles of W-2 eventually became the foundation for what would become the nation's new federal welfare system.

Thompson also took the risk that W-2 might not succeed. But he says that, after talking with AFDC mothers, African American leaders, Democrats, social welfare advocates, he knew that almost everyone knew AFDC was badly broken -- and he convinced them that the risk was worth taking. And, his risk paid off. Even as the pilot programs were being implemented, welfare rolls started dropping.

"One state has already proven naysayers wrong: Wisconsin, which provides an unparalleled model for reform that other states would be wise to follow," wrote national welfare expert Robert Rector, a senior research fellow at the Heritage Foundation in 1997, three months after Wisconsin Works was fully launched.

"In the last 10 years, while AFDC caseloads in the rest of the nation were rising steeply, Wisconsin has dropped in half," he wrote in a commentary published in several national media outlets. "In inner-city Milwaukee, the caseload has fallen 25 percent, but in the rest of the state, caseloads have fallen nearly 70 percent.

"Liberal welfare experts used to insist that a successful work program might reduce caseloads by 5 percent over five years. In much of Wisconsin, the number of people on welfare is falling by that amount every month."

What reduced the risk Thompson took was the long, patient road the team took to test various aspects of W-2 prior to launching it as a statewide program.

Of the 11 pilot projects, some such as Work Not Welfare, were designed to test the entire set of programs that would become "Wisconsin Works." Some were extremely effective.



Others such as LearnFare, which adjusted welfare payments to mothers based on their children's attendance in school, didn't work, Thompson recalls. They were too difficult to administer and too complicated to work effectively and cost efficiently. "We learned as we went what would work and what wouldn't."

"At one time, I think we had more waivers than any other state in the union," recalls Whitburn. In fact, under President Clinton, there were only 50 total waivers in play in 35 states.

A key to the success of those tests was the ability to objectively measure and evaluate those projects -- and those who did the work say Thompson's leadership style was important in this area as well. Thompson says his goal was to keep the team focused on the goals of the program and the ideals they represent. That enabled the team to switch gears and dump what wasn't working -- or fine tune what was working -- without fear of backlash.

"Some people were afraid to give him bad news. But he actually welcomed opposing views or news that things weren't working," says Jennifer Noyes a former DHFS policy analyst and director, and a former Hudson Institute scholar. "We would give him our opinions and he would take them all in -- and make a decision."

That was true, jokes O'Connell, but he could also be volatile. "We were all fired at least once."

"He not only welcomed debate in our meetings, he felt that if there were no debates or disagreements that it was a wasted meeting," McCoshen jokes.

Team leadership and management

Central to the success of any organization is the leader's ability to build a strong team, empower it to succeed, and hold it accountable for success. The creation and implementation of W-2 could serve as a model for future public policy leadership and management.

At the time of its launch, W-2 provided a complicated array of services to 75,000 families statewide, requiring an enormous team of state agency leaders and program managers, key lawmakers, as especially county welfare workers who would ultimately run the program's ground operations as county governments are the delivery vehicles for most federal social programs. That meant more than 1,000 people in various branches of government around the state had to be on board with the new effort and fully equipped to implement it.

Thompson's most important decision was to eventually place Whitburn in charge of building the W-2 reform team, setting the agendas and calling the meetings, and serving as



co-champion-in-chief with Thompson to help build national understand and support for Wisconsin's reform ideas. Whitburn brought in top talent -- as well as the Hudson Institute -- to create the program, then build a system to implement it.

But Thompson's leadership role was also critical.

Internally, Tommy Thompson had an already-established reputation for his own work ethic, working long hours -- and pushing his own staff to do the same.

"Tommy pushed us hard and we worked hard for him because we felt we were part of something," O'Connell says, adding that no one worked harder than Tommy Thompson himself. "It was amazing to watch. He was so passionate about this that everyone worked hard for him -- even employees at DHFS who were philosophically opposed. He trusted people to fight for him."

As minority leader for nearly two decades, Thompson also owned another critical managerial and leadership skill: He had deep and wide knowledge of the government he was running. He didn't just understand state programs and top agency officials who ran them. He knew the mid-level program managers and policy experts and would sometimes bypass his own staff and cabinet officers and talk directly with them when problems arose.

"He understood state employees," Whitburn says. "He knew how to work with them to get things done." A number of former staffers told stories about Tommy simply going around them -- and talking directly to a program expert in a state agency -- who he knew by name -- in order to understand and fix a problem. He also built relationships with middle managers, a classic example of strong internal management and leadership.

One former Department of Natural Resources section chief recalled that Thompson would hold quarterly meetings in his cabinet room with DNR's mid-level managers. "He told us he was there to listen to our concerns and our ideas, but with the understanding that he would steal our best ideas and call them his own. We loved that. Even when we didn't like his politics, we knew he understood our agency and what we were doing. We really felt as though we were on a team working together."

Future lessons?

The ultimate success of "Wisconsin Works" is still being debated as it was implemented amid national welfare reform efforts, a growing economy that also helped women leave welfare for work. Complicated social policies such as welfare are difficult to measure, leaving room for debate over the extent of W-2's success.

What is indisputable is that when Thompson took office in 1987, AFDC rolls were roughly 100,000 and they dropped by more than half by the time Thompson departed to run then



nation's welfare programs as the new secretary of Health and Human Services. While other states also saw their caseloads drop, "those reforming states lag a half decade behind Wisconsin," wrote Rector. "In almost every case, their successes were merely a pruning back of the explosive surge in welfare dependency of the early 1990s... Wisconsin continues to reduce dependency at a rate surpassing all other states."

What is also indisputable is that after more than a decade of policy creation, development and execution that culminated in "Wisconsin Works," Thompson created a model in which Wisconsin was seen as one of the nation's top laboratories for policy innovation.

There may never be another Tommy Thompson in state history, as O'Connell says. But the leadership model he demonstrated in the creation of W-2 provides a template for future leaders as they wrestle with solutions to new problems and challenges.

Since Thompson, Governors McCallum, Doyle and Walker have taken a decidedly different approach to governing and leadership, especially in the way they reach out and build relationships and communicate their ideas, their approach to media management, and even their approach to winning elections, McCoshen notes.

At the same time, since Thompson's governorship, Wisconsin's political climate has changed, the media have changed, the explosion of internet based communications have revolutionized public conversation (for good or for bad), political campaigning has changed, and new public policy issues continue to present new challenges.

"This is a different time," says McCoshen. "And it's true that we'll likely never see another Tommy Thompson."

But, he reflects, there's still a lot to learn from what Tommy Thompson accomplished -- and how he accomplished it -- by creating and implementing Wisconsin Works.