



WR - Family Cap
F.Y.I.

February 9, 1995

NEW JERSEY EXPERIMENT SHARPLY CUTS ILLEGITIMATE BIRTHS AMONG WELFARE MOTHERS

Robert Rector
Senior Policy Analyst

Recent evidence from a carefully monitored New Jersey state experiment shows that limiting the value of welfare benefits can have a dramatic impact in reducing illegitimate births among women on welfare. In the experimental program, a four percent reduction in the dollar value of monthly welfare benefits was found to cause a 29 percent decrease in future illegitimate births among women enrolled in the Aid to Families with Dependent Children (AFDC) program.

In all states—except New Jersey—AFDC mothers who have additional children while on welfare receive an automatic increase in welfare benefits. But in 1992, black Democratic Assemblyman Wayne Bryant won passage in the New Jersey legislature of an innovative welfare reform known as the “family cap.” Under the family cap, mothers already enrolled in AFDC no longer receive an automatic increase in AFDC benefits after giving birth to additional children. The family cap went into effect in October 1992 with a ten-month grace period. Thus the limitation on benefits applied to children born after August 1993.

To launch the program, New Jersey required a waiver from federal regulations, and this was granted by the U.S. Department of Health and Human Services (HHS). In accordance with HHS guidelines, New Jersey evaluated the effects of the family cap policy with a controlled scientific experiment using random assignment. In the controlled experiment, AFDC recipients were randomly assigned to two different groups: an “experimental” group, which was subject to the family cap benefit limitation, and a “control” group that was exempt from the limitation. This procedure permits a scientific evaluation of the behavioral effects of the family cap by comparing the experimental group subject to the cap with the control group exempted from the policy.

In the New Jersey experiment, mothers in the control group received benefits according to conventional welfare policy, with a net increase of \$44 in monthly welfare benefits for each additional childbirth. By contrast, mothers in the experimental group were subject to the new family cap; they did not receive an increase in AFDC benefits when they gave birth to additional children. The impact of the family cap on the value of welfare benefits for AFDC mothers was quite small. The \$44 benefit increase eliminated by the family cap constituted only 4 percent of the total monthly welfare benefits received by the average AFDC mother in New Jersey.

FYI#50/95

Despite its modest impact on the dollar value of welfare benefits, the family cap policy was found to have a substantial effect in reducing out-of-wedlock births among AFDC recipients. During the first 10 months after the cap went into effect (from August 1993 to June 1994), births among AFDC mothers subject to the family cap were significantly lower than births to AFDC mothers in the control group who were exempt from the cap.

During the ten-month period after August 1993, 5.46 percent of AFDC single mothers in the experimental group bore children out of wedlock, compared with 6.75 percent of mothers in the control group exempt from the cap. Thus, welfare mothers under the cap had nearly one-fifth fewer illegitimate births than did welfare mothers in the exempt group.

The New Jersey evaluation, moreover, indicates that these figures actually underestimate the effect of the family cap policy. Although the random assignment of individuals into "experimental" and "control" groups eliminated most demographic differences between the two groups, small differences remained. Differences in former marital status, schooling, ethnicity, and other factors indicate that the experimental group (subject to the family cap) was composed of individuals who were more likely to have children out of wedlock than the control group. (For example, mothers in the experimental group had a slightly lower education level and included somewhat more black women than did the control group—both of these factors have been found to increase the probability of out-of-wedlock births.) After compensating for relevant demographic differences between the control and experimental groups, the New Jersey evaluation found that the family cap actually had resulted in a 29 percent reduction in illegitimate births among New Jersey welfare mothers.¹

Critics of the family cap claim that the policy has not caused an actual reduction in the number of illegitimate births but merely a delay in welfare mothers reporting births to the welfare office. The critics assert that since mothers subject to the family cap no longer receive higher AFDC benefits upon the birth of an additional child, the absence of this reward makes the mothers less prompt in notifying the welfare bureaucracy of births.

However, under the family cap AFDC mothers still have a strong financial incentive to notify the welfare bureaucracy of any child birth. The family cap limits only AFDC benefits; mothers on AFDC in New Jersey and subject to the cap still receive increased Food Stamps and Medicaid benefits for each additional child born. Therefore, each AFDC mother still has the incentive to notify the welfare bureaucracy of a child's birth in order to ensure the child's enrollment in these other welfare programs. Examination by New Jersey officials of the ten months of data available reveals a drop in the number of actual births, due to the cap, not merely a delay in birth reporting.

The New Jersey family cap was based on the moral principle that the welfare system should reward responsible rather than irresponsible behavior. Proponents maintained that it is both irresponsible and immoral for unmarried women already on the public dole to have additional children and to expect the taxpayers to give increased welfare to support those children. With the family cap, New Jersey proposed to stop rewarding such irresponsible behavior. Few expected the modest limit on benefits to result in a significant drop in births to welfare mothers. The fact that the experiment has caused a surprisingly large drop in illegitimate births, and hence in welfare dependency, enhances the case for the policy.

¹ Adjustment for demographic differences between the two groups was performed by the standard statistical technique of multivariate regression analysis.

Md. NAACP For Welfare Overhaul

Bid to Tighten Rules Gets Surprise Support

By Graciela Sevilla
Washington Post Staff Writer

BALTIMORE, March 5—The Maryland State Conference of the NAACP adopted a surprising position today, endorsing Gov. William Donald Schaefer's proposed welfare reforms, which would deny additional aid to mothers who bear children while receiving benefits.

NAACP leaders said they support the controversial experiment, including a provision to cut off benefits to able-bodied recipients who fail to find work or accept full-time community service jobs after 18 months on relief.

Maryland and national officials of the civil rights group said they know of no other NAACP unit in the nation that has endorsed such reforms. Maryland officials said they expect their stance to generate heated debate.

The Rev. John L. Wright, president of the state conference, emphasized that the group's support for Schaefer's proposals is contingent on the state's providing job training, placement and work opportunities for those trying to move off the welfare rolls—goals that are outlined in the proposal.

The Maryland NAACP is equally insistent that tangible and realistic efforts to encourage and to develop meaningful employment opportunities must accompany any welfare reform experiment, Wright said.

In a news conference at NAACP national headquarters here, state conference members said the reforms are necessary to break the generation-to-generation cycle of dependence on government aid.

"We want our people to take advantage of this opportunity to move on to self-sufficiency," said Herb Lindsey, legislative director for the state conference.

The existing welfare system tends to shelter unwed mothers and absentee fathers from the consequences of their actions, and changes are necessary to foster a restoration of the family, NAACP officials wrote in a letter to the governor and legislators.

Under current rules families receive about \$80 for each child. The Schaefer plan would deny any increase in benefits for children born 10 months after a family goes on welfare.

Page Boines, Schaefer's press secretary, called the NAACP announcement a "welcome surprise" and said the creation of job opportunities is at the heart of the governor's proposal.

The job portion of the bill is crucial, she said.

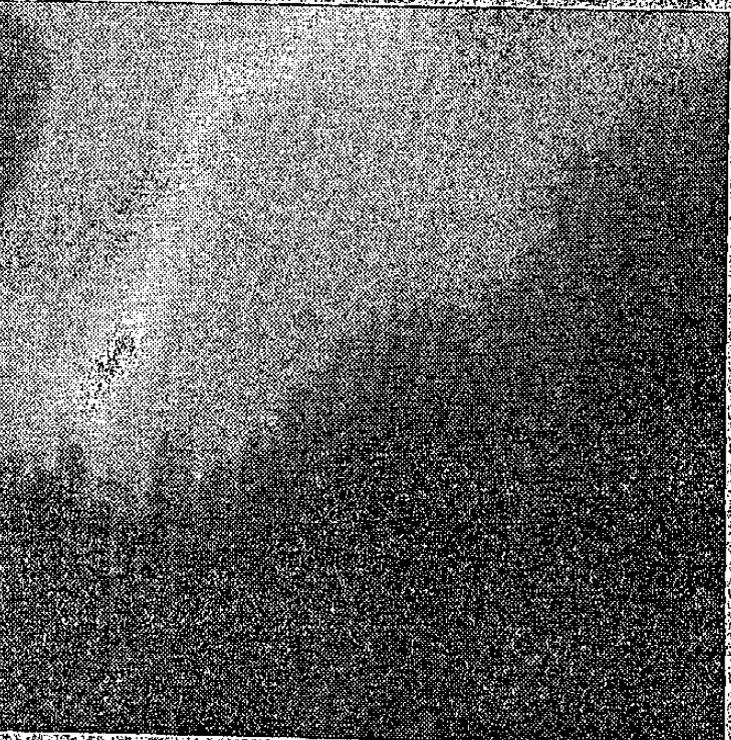
Boines said NAACP support will bolster the bill's chances. The bill is

(See NAACP, B5, Col. 3)

the Washington National Cathedral is showing signs of wear.



PHOTOS BY MICHAEL WILLIAMSON—THE WASHINGTON POST
to begin repairs on the cathedral while B.J. Boros, center, supervises.



WASHINGTON NATIONAL CATHEDRAL PHOTO
strikes a southeast pinnacle on the cathedral's central tower.

PRESERVATION PHOTOGRAPHY



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

Bruce Reed

WR - Family Cap

JUN 10 1998

MEMORANDUM FOR THE PRESIDENT

I want to provide you with some background information regarding recent coverage in the press on the New Jersey family cap policy (see attached Washington Post and New York Times articles). According to press accounts, the findings of an evaluation indicate that the policy has resulted in an increase in the number of abortions among welfare recipients. The National Organization for Women (NOW) Legal Defense Fund, the American Civil Liberties Union, the Catholic Conference of New Jersey, and other groups are concerned about the possible increase in abortions and have also questioned whether the State of New Jersey is trying to alter the findings.

Background

Under 1992 Aid to Families with Dependent Children waivers, the New Jersey Department of Human Services (DHS) implemented a family cap policy, which eliminates benefit increases for additional children conceived while a family is receiving welfare benefits. The State is continuing the family cap under Temporary Assistance to Needy Families (TANF). A draft Rutgers University evaluation of the New Jersey family cap indicates a rise in the number of abortions among welfare recipients over the time that the policy has been in effect. NOW and others who have spoken out on the issue speculate that the State is trying to alter the findings. This speculation is based on the fact that the State has asked Rutgers to revise the report to address methodological concerns.

HHS Analysis of the Rutgers Evaluation

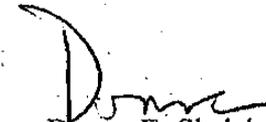
HHS shares the State of New Jersey's concerns about the methodology of the Rutgers' study. We believe that the evaluation results to date are inconclusive with respect to whether the family cap caused an increase in abortions because of possible methodological flaws in the study. Since the Department provided a portion of the funds for the evaluation, we have made extensive comments to the New Jersey DHS regarding methodological problems. Our most significant concerns are as follows:

- The evaluation may not have sufficiently controlled for factors other than the family cap and these other factors may have contributed to the reported increases in abortions. If the group changed its behavior for reasons other than the family cap, the results could be biased. This is particularly possible in this evaluation because the composition of the group studied changed over time as individuals entered and exited the welfare rolls.
- Some of the assumptions made in the evaluation were unrealistic. For example, the evaluation established a baseline for comparing changes in the number of abortions. This baseline assumed that, absent the family cap, the number of abortions would have fallen

among welfare recipients until eventually they would equal zero within a few years. Any abortions above this baseline were assumed to be a result of the family cap policy. This unrealistic assumption could lead to overstating the number of abortions attributable to the family cap policy.

- In general, we feel the authors overstated the strength of their findings and did not discuss sufficiently the measurement problems inherent in social science research. The family cap policy was implemented with a large degree of publicity and as part of a comprehensive package of policy changes. This makes it difficult to identify accurately those families who believed they were affected at any specific time, and to estimate the impacts of each policy intervention. Furthermore, it is difficult to identify all the factors that affect childbearing decisions or to disentangle precisely how much of an effect is attributable to each factor.

Rutgers is currently revising the evaluation and results are expected during the month of June. The New Jersey DHS is planning to have a panel of researchers review the revised report to comment on its methodological soundness. The revised results could show either increased or decreased impact on abortions. There may continue to be disagreement among researchers as to whether the current or revised draft of this report supports a finding that the family cap policy caused an increase in abortions.



Donna E. Shalala

Attachments

Report Tying Abortion To Welfare Is Rejected

New Jersey Officials Question Its Validity

By TAMAR LEWIN

A team of Rutgers University researchers hired by the New Jersey government to examine the effects of the state's new welfare policy found that it has contributed to an increase in abortions, but the state has rejected the findings, and asked for revisions of the report.

In a December report, commissioned by the State Department of Human Services and the Federal Department of Health and Human Services and obtained by The New York Times, the Rutgers researchers said the welfare overhaul provision known as the family cap, which was enacted in 1993 and cuts off extra benefits from welfare recipients who have additional children, has caused some women to abort their pregnancies.

"The Family Development Program does appear to exert a small but non-trivial effect on abortion rates, adding about 240 abortions per year over what would be expected due to trend and population composition changes," the report said. There were 31,860 abortions in New Jersey in 1996.

The Rutgers findings are likely to add new fuel to the nationwide debate over welfare because 20 other states have imposed family caps similar to New Jersey's.

Welfare recipients generally have abortions at a higher rate than other women: In New Jersey, in the quarter ending December 1991, the abortion rate for the welfare population was 27 per 1,000 compared with 4 per 1,000 for all New Jersey women of child-bearing age. And although the abortion rate in New Jersey, and nationwide, declined between 1991 and 1996, the abortion rate among New Jersey's welfare recipients rose during the same period. By 1996, the Rutgers report found, the gap had widened further, with 29 abortions per 1,000 women receiving welfare, compared with 3 per 1,000 women in the general population.

But the state has not accepted those findings, calling the report a draft that needs substantial revision.

In a May 14 letter to the research team, the Department of Human Services said the document should be labeled a draft, criticized the methodology and asked for a reworking that would explain all the difficulties of determining whether it was the welfare policy that had caused the increase in abortions. The letter also questioned the validity of studying the behavior of the welfare population before and after the law changed, since the changes themselves may have altered that population, causing some recipients to get off welfare, and other people to avoid it.

But the lawyers challenging the family cap provision contend that the state's response reflects political problems, not methodological ones.

"We think this is a final report that the state is trying to cover up by

saying it's a draft," said Martha Davis, a lawyer with the NOW Legal Defense and Education Fund, one of the groups challenging the family cap. "And we think the real reason for their objections is concern about what legislators will do if they see the conclusions the Rutgers researchers have drawn."

Jacqueline Tencza, a spokeswoman for the State Department of Human Services, denied that interpretation. Rather, she said, the state is committed to understanding what effects the family cap has had, and is concerned about the release of draft findings based on a methodology that the state says is flawed.

"This is just a draft," she said. "Neither of the two clients, us or Health and Human Services in Washington, has approved it, and it's not final until it's approved. We want to make sure that what we get is good social science research that is clear about the effects of the policy."

The question of how welfare recipients' reproductive decisions are affected by a family cap, removing any financial incentive to have more children, has been one of the most hotly argued issues in the debate over welfare.

Some conservatives have argued that family caps help discourage welfare recipients from having more babies than they can support, and prevent long-term welfare dependency. But in an unusual political alliance, the Roman Catholic Church and conservative Christian groups joined with advocates for the poor to argue against family caps, on the ground that they would encourage abortion and increase child poverty by forcing welfare families to stretch their meager benefits too far.

New Jersey's family cap went into effect in 1993, under a Federal waiver allowing the state to conduct welfare experiments. Two years later, the Federal welfare overhaul bill opened the way for any state to adopt such a policy, and family caps are now in effect in 20 other states.

"The Rutgers findings have very serious implications for children in every state that has instituted a family cap," said Regina Purcell, a spokeswoman for the Catholic Conference of New Jersey. "It's important to remember not only the number of babies that were aborted due to the family cap, but also the number of children born who were denied assistance. As of December, more than 25,000 children in New Jersey had been denied cash assistance because of the family cap."

Last year, Ms. Davis's group, along with the American Civil Liberties Union of New Jersey and Gibbons Del Deo, a New Jersey law firm, filed suit charging that the family cap violated the state constitution by interfering with women's reproductive rights and treated children differently depending on their birth status.

In late February, in the course of

preparing a summary judgment motion in the case, Ms. Davis said, the lawyers asked the state whether the final report from Rutgers, which had been long scheduled for release in December, was available.

A lawyer in the Attorney General's office gave them a copy of the December report, which they shared with representatives of the Catholic Church and others who oppose the family cap at a May 12 meeting. Ms. Davis said the lawyers challenging

Adding new fuel to a continuing debate over welfare.

the cap had also asked for, and been granted, permission to talk to the Rutgers researchers.

But, she said, on May 14 — the same day the department's letter went out to the researchers — the Attorney General's office called to say that the report was only a draft and to withdraw permission to talk to the researchers.

"This is a report filed in December, and there was plenty of time for back and forth about the methodology before May," Ms. Davis said. "The timing, together with the fact that this was in no way labeled a draft, as an earlier interim report had been, lead us to conclude that something else was going on here."

Ms. Tencza said there were no political machinations involved: discussions of the methodology had gone on since the report was filed, she said, and the May 14 letter only reflected continuing discussions. And she said that the lawyer for the Attorney General's office who gave out the report was simply unaware that it was a draft.

"It was an oversight, and it should not have been released," Ms. Tencza said. "This is very complicated, very important social science research, and there are many serious concerns about methodology. We're not confident that there is any methodology that would result in establishing a cause-and-effect relationship. That's one thing we've learned through this process."

The letter questioned the researchers' use of trends in abortion and birth rates to estimate what

those rates might have been without the welfare changes, and the suggestion that the welfare changes may have caused the difference. And it said that the researchers need not redo the study, but should submit a revised version making clear the difficulties of determining causality.

Michael Camasso, the lead researcher on the \$1 million evaluation project, declined to discuss the specifics of the December report or the re-working now under way.

"We have three different studies of the family cap, this pre/post research, a cost-benefit analysis, and another using an experimental group and a control group," he said. "All I can say is that the final reports on all three, which are not that far off, will present the most comprehensive view possible of the effects of the family cap."

The lawyers challenging the family cap are convinced that the policy encourages abortions, both from the Rutgers research and from interviews with welfare recipients.

"We showed the report to outside experts, including statisticians and economists, and they agreed that it shows that the family cap is causing women to have abortions," said Lenora Lapidus, legal director of the New Jersey A.C.L.U. "In a state where there's been this strong effort to cut back on access on abortion, there's a real irony here. This state now has two choices, they can backpedal and try to change the study. Or with the Governor leading, they can take the high road and reconsider the policy."

N.J. Study Links Abortion Rise To Welfare Cap

By JUDITH HAVEMANN
Washington Post Staff Writer

A research team from Rutgers University has concluded that New Jersey's welfare law increased abortions among the state's approximately 85,000 welfare families by about 240 a year, but state officials have disputed the report and sent it back for revisions, state officials and opponents of the policy said yesterday.

New Jersey became the first state in 1991 to pass a controversial "family cap," which denies additional benefits to mothers who have more children while on the welfare rolls. Such families lost \$64 a month as a result of the policy.

The family cap was designed to send a powerful signal to mothers to postpone having children they can't support. An unusual coalition of Catholics, conservative family groups and liberal advocates argued against it, saying it would raise the abortion rate and increase child poverty.

In a report to the state and the federal Department of Health and Human Services in December, researchers from Rutgers and Princeton universities concluded that the family cap, which has been adopted by 22 other states, had a "small but non-trivial effect on abortion rates ... over what would be expected due to trend and population composition changes."

While the abortion rate was going up among welfare mothers by about 6 percent, it declined for the general population.

The report was disclosed to the NOW Legal Defense and Education Fund and the American Civil Liberties Union by a state lawyer during routine pretrial document exchanges in a suit the groups filed against the policy. The conclusions were shared with representatives of the Catholic Church on May 12. On May 14, the state sent a nine-page letter to the researchers disputing their methodology and requesting revisions.

"The state is backing away from the findings because they don't like the conclusions the researchers came up with," said Martha Davis, legal director of the NOW Legal Defense and Education Fund. "In no way was this a draft," she said. "It shows the real conflict when the states have a political agenda and are trying to influence this kind of research."

But a New Jersey Department of Human Services spokeswoman sharply disputed the advocates' conclusions. Jacqueline Tencza said, "We have a lot of concerns about the way the number was derived because there were a lot of changes in the caseload during the period they were studying."

A spokesman for the federal Department of Health and Human Services said the report was a draft "that is still being worked on." Its \$250,000 cost was paid by HHS and the Kaiser Foundation.

Welfare child cap boosts abortions

TRENTON, N.J. (AP) — A research study has concluded that New Jersey's policy of holding welfare benefits level when recipients have additional children has contributed to an increase in abortions.

And critics of the policy say state officials, who commissioned the study, are now trying to play it down because they don't like the results.

The \$1 million study by Rutgers University was commissioned by the state Department of Human Services and the federal Department of Health and Human Services. Researchers were asked to examine the effects of New Jersey's "family cap," which was the first of its kind in the nation when it was enacted in 1992.

Twenty other states have since instituted family caps similar to New Jersey's, and the Rutgers report is likely to fan the fire of debate over welfare reform.

The December 1997 report, obtained yesterday by the Associated Press, said the new welfare policy "does appear to exert a small but non-trivial effect on abortion rates." The researchers estimated that the number of abortions in the state was about 240 higher per year than it would have been without the welfare change.

"We were concerned that this law could cause an increase in abortions," Marie Tasy, a spokeswoman for New Jersey Right to Life said. "If the Rutgers study is accurate, our fears have been confirmed."

State officials have rejected the report's findings, declaring it a "draft," and asking for a revision.

But groups that are challenging the cap in court say the report was not labeled a draft when it was distributed to them in February as part of their preparations for trial.

"We think this is a final report that the state is trying to cover up by saying it's a draft," Martha Davis, a lawyer with the National Organization for Women's Legal Defense and Education Fund, said in yesterday's editions of the New York Times. "And we think the real reason for their objections is concern about what legislators will do if they see the conclusions the Rutgers researchers have drawn."

Miss Davis' group, along with the American Civil Liberties Union of New Jersey, sued the state last year, charging that the family cap violated the state constitution by interfering with women's reproductive rights and treating children differently depending on their birth status.

Other opponents to the cap include the Roman Catholic Church and conservative Christian groups that believe the cap encourages abortions.

State officials say their concerns are methodological, not political.

USA Today: 6-9-98

WELFARE AND ABORTION: Denying additional aid to welfare recipients who have more children — a policy in effect in 20 states — could increase abortions, a controversial New Jersey report says. The preliminary finding by researchers at Rutgers University, disputed by state officials, poses a potential dilemma for lawmakers who voted for the "family cap" policy. The impact on abortions was slight: an estimated 240 more per year, New Jersey had about 32,000 in 1996. But it could prompt abortion foes to seek repeal of the provision in states that adopted it under the 1996 federal welfare reform law.

— Richard Wolf

WR Family Cap

New Research Findings
on the
Impact of the New Jersey Family Cap on AFDC Births

- New preliminary research findings do not support the contention that the "family cap" policy--denying AFDC cash benefits to additional children born to mothers receiving welfare--has an effect on the number of AFDC births. At least that was the case in New Jersey between August 1993 and July 1994--the first 12 month period that a family's welfare grant would no longer increase if the mother had another child. A new study that examines the impact of the New Jersey family cap indicates no difference in the percentage of births to AFDC mothers who were subject to the family cap versus those who were not. New Jersey, one of eight states with a family cap, is the best state to study the impact of the family cap on AFDC births because it has had this policy in effect the longest (since October 1992).
- The preliminary findings indicate that between August 1993 and July 1994, 6.9 percent of AFDC mothers subject to the family cap gave birth to an additional child, whereas 6.7 percent of AFDC mothers not subject to the family cap gave birth to an additional child. This small difference is statistically insignificant. The results of this study were based on a comparison of two groups of AFDC mothers that through a random assignment were either subject to the family cap or not.
- The new estimates are much more accurate and complete, albeit still preliminary, than those made previously. These estimates are based on work completed by Rutgers University, the official evaluator of New Jersey's state-based welfare reform waiver demonstration. Due to the national significance of the family cap issue, the state applied for, and was awarded, funds by the Department of Health and Human Services to provide preliminary estimates of the effects of the family cap. This is the first set of analyses conducted for this study. A more complete set of analyses will be conducted and findings made available over the course of this summer.
- An unpublished, but widely publicized, study of the impact of the New Jersey family cap conducted last year which examined births to AFDC mothers subject to the cap versus births to AFDC mothers not subject to the family cap over the same time period (August 1993-July 1994) found a significant reduction in the percentage of additional births to AFDC mothers. Rutgers University researchers' assessment is that the primary reason for the difference between the earlier study and their own is that lengthy reporting delays of births caused the data used in the earlier analysis to be incomplete. In contrast, by the time Rutgers University conducted the same type of analysis, the data captured all births and is complete.
- The earlier study lent support to the idea that a family cap would reduce additional births to AFDC mothers. While still preliminary, these new estimates provided by Rutgers University about the impact of the family cap on additional births to AFDC mothers are the best available and counter earlier findings. More extensive analysis over a longer time period is needed before any definite conclusions about the impact of the family cap should be drawn.

**Comparison of Additional Births to Mothers who Received AFDC in New Jersey
During Some or All of the Period of August 1993 - July 1994**

	AFDC Mothers Subject to Family Cap	AFDC Mothers Not Subject to Family Cap
Percentage with a birth in the period August, 1993 through July, 1994	6.9%	6.7%
Number in sample	2,999	1,429

* While the family cap went into effect throughout New Jersey on October 1, 1992, the first births which would potentially be affected by this provision would not have occurred until August 1993, or 10 months after the effective date. This table represents AFDC cases that were active as of October 1992.

SOURCE: Rutgers University, Analysis of New Jersey AFDC caseload data.

THE STATE UNIVERSITY OF NEW JERSEY
RUTGERS

Continuing Education Program • School of Social Work
Building 4087 • Livingston Campus • New Brunswick • New Jersey 08903
908/445-3178 • FAX: 908/445-0298

June 14, 1995

Rudolf Myers, Ph.D.
Assistant Director
Division of Family Development
Office of Planning and Operations
Quakerbridge Plaza
Building 6
Trenton, NJ 08645-0716

Dear Dr. Myers:

As a followup to my earlier correspondence, I would like to reprise the Evaluation Team's findings in light of subsequent analyses in May and June 1995. My focus here will be placed on the 'ongoing' sample cases, i.e., cases selected at random from the AFDC caseload as of October 1, 1992. For a one year post-program period following the implementation of the Family Cap policy (August 1993 - July 1994) the births of 3,275 experimental group women and 1,605 control group women were analyzed. Results from our subsequent analyses confirm those in our earlier findings and can be summarized as follows:

- From August 1993 through July 1994 there is not a statistically significant difference between the birth rates in the experimental and control groups. We find a 6.9% rate for women subject to the Family Cap and a 6.7% rate for those in the control group.
- This equivalence persists when controls for pre-program differences in births and the age and race of the mothers are employed.
- The equivalence is maintained when either tabular or logistic regression procedures are employed.
- It is our assessment that the primary reason for the difference between our findings and those of earlier analyses conducted on the Family Cap in New

Rudolf Myers, Ph.D.

June 14, 1995

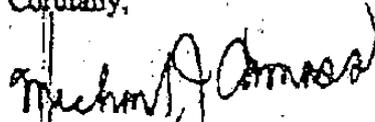
Page 2

Jersey is that lengthy reporting delays of births by clients resulted in incomplete data available to earlier research efforts.

• Our findings should be regarded as preliminary inasmuch as (1) only one full year of post-program data was available and (2) data on new application cases (N = 4,500) were too incomplete to include in the analyses.

We expect to have more complete information regarding the impact of the Family Development Program on birth rates within the next several months. Our analyses will include more recent data on births from August 1994 through July 1995 and will also include new cases.

Cordially,



Michael J. Camasso, Ph.D.
Principal Investigator

MJC:kr



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Assistant Secretary for Legislation

Washington, D.C. 20201

*WR
Family Cap*

TO: MARY JO BANE 401-4678
 DAVID ELLWOOD 690-7383
 BRUCE REED 456-7028
 EMILY BROMBERG 401-4678
 ANN ROSEWATER 401-4678
 WENDELL PRIMUS 690-6562
 KATHY WAY 456-7028
 SUSAN BROPHY 456-6220
 PAUL CAREY 456-2604
 JANET MURGUIA 456-6221
 ISABELL SAWHILL 395-5730
 JEREMY BEN-AMI 456-7028
 AVIS LAVELLE 690-5673
 MELISSA SKOLFIELD 690-5673
 JOHN MONAHAN 690-5672

FROM: HHS/ASL STAFF (Jim Hickman 690-7627)

DATE: October 25, 1994

PAGES: 6 (including cover)

NOTE: WELFARE REFORM: Letter to Sec. Shalala from 40 House Members requesting that HHS not grant any further waivers which contain family cap proposals in light of *Beno v. Shalala*

Congress of the United States
House of Representatives
Washington, DC 20515

October 18, 1994

The Honorable Donna Shalala
Secretary of Health and Human Services
U.S. Department of Health and Human Services
200 Independence Avenue
Washington, DC 20201

Dear Madam Secretary:

We are writing to request that the Department of Health and Human Services (HHS) not grant further waivers for state programs that deny AFDC benefits to children born while their mothers are on AFDC.

We strongly oppose "family cap" programs, and believe dicta in the Ninth Circuit's recent opinion in Beno v. Shalala affirms our position that current law does not provide the Secretary discretion to grant waivers for such programs.

Although Beno v. Shalala deals specifically with a "work incentive" waiver program, the court's opinion in this case highlights four key aspects of current law we believe have direct bearing on and explicitly deny the Secretary's authority to grant family cap waivers.

First, and most important, *the court affirmed that Section 1315(a) authorizes the Secretary to approve waivers only for those programs which, in her judgement, "are likely to assist in promoting the objectives of the AFDC program."* This objective, outlined in 42 U.S.C. 601, is to protect needy children. As you know, however, "family cap" waivers are designed to enable states to deny assistance to children born while their mothers are on AFDC. Although the goal of such programs may be to create an incentive for women not to have children until they can support them, the direct effect of "family caps" that are less than 100 percent effective is to take needed help away from poor children. We do not believe there is any way that such programs can be construed as being consistent with the goal of protecting needy children. Indeed, we find it difficult to imagine a program more inconsistent with this goal, or more certain of harming poor children.

The Honorable Donna Shalala
October 18, 1994
Page 2

Second, the court affirmed that Section 1315(a) requires that waivers be considered in light of and be supported by the relevant evidence. In the case of family cap waivers, this involves three issues: evidence regarding the basic premise underlying "family caps" (that benefits based on family size encourage women to have more babies); evidence about the effectiveness of family cap programs in preventing pregnancies; and, evidence about the impact of benefit cuts on poor children. Waivers for family cap programs are not supported by the evidence in any of these three areas. The available evidence makes clear that increased AFDC benefits do not encourage women to have additional children (and, therefore, that the basic premise underlying family caps is inaccurate), that family cap programs have little impact on the number of children born on AFDC, and that even small reductions in AFDC benefits cause irreparable harm to low-income children.

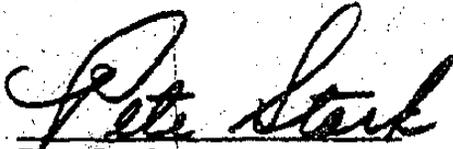
Third, the court affirmed that Section 1315(a) authorizes the Secretary to grant waivers only for those state projects that have research or demonstration value. In other words, the court affirmed that waivers should not be granted for programs designed to enable states to save money or evade federal requirements, but only for programs clearly designed to yield information about effective ways of dealing with the problems of AFDC recipients. According to the court, this means that waiver programs must have a methodologically defensible design, with the requisite control groups, data collection, and rationale that signify a legitimate experimental project. Family cap programs which deny increased benefits across the board, maintain no control groups, and advance no experimental goal are not "experiments" and cannot possibly serve any valid experimental purpose.

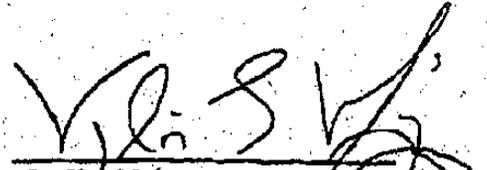
Finally, the court affirmed that 1315(a) waivers must be considered within the context of Section 211 of the HHS Appropriations Act, and that Section 211 prohibits the Secretary from spending federal money on projects that pose a danger to human research subjects without their informed consent. Family cap programs -- which not only pose a danger to every child born while their mother is on AFDC, but by definition preclude any type of informed consent -- are clearly the types of programs to which this restriction applies.

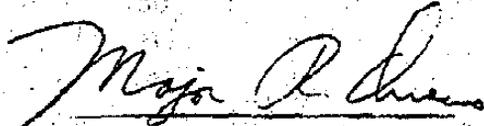
It is our understanding that HHS is currently reviewing family cap waiver applications from several states. Given the issues raised in this letter, we strongly hope that you will give serious consideration to our request, and ensure that these and other future family cap waivers are not granted.

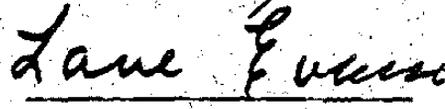
Sincerely,

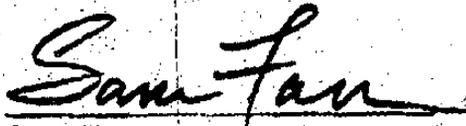
The Honorable Donna Shalala
October 15, 1994
Page 3


Pete Stark

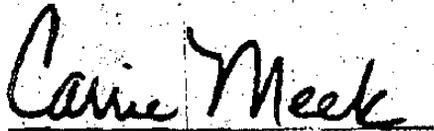

Nydia Velazquez

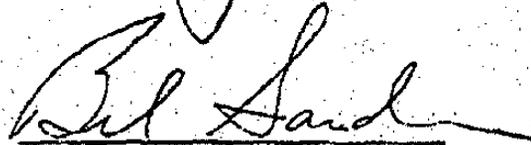

Major Owens

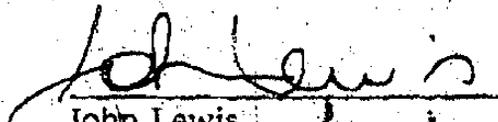

Lane Evans

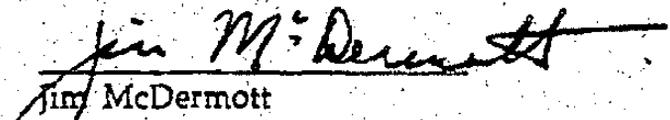

Sam Farr


Ron Dellums


Carrie Meek

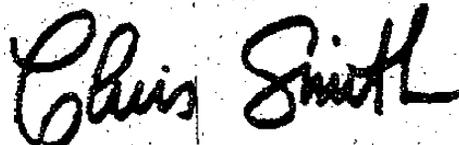

Bernard Sanders

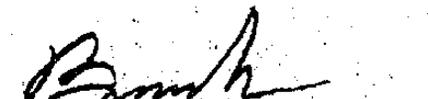

John Lewis

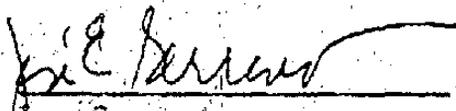

Jim McDermott

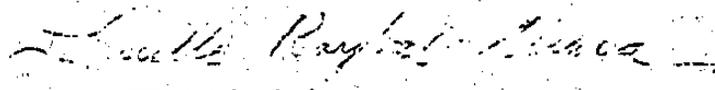

Patricia Schroeder


Norman Minetta


Chris Smith


Barney Frank


Jose Serrano


Lucille Roybal-Allard

The Honorable Donna Shalala
October 15, 1994
Page 4

Eleanor H. Norton
Eleanor Holmes-Norton

Henry Gonzalez
Henry Gonzalez

Luis V. Guterrez
Luis Guterrez

Eddie Bernice Johnson
Eddie Bernice Johnson

Lynn Woolsey
Lynn Woolsey

Mike Kopetski
Mike Kopetski

Don Edwards
Don Edwards

Donald Payne
Donald Payne

George Miller
George Miller

David Bonior
David Bonior

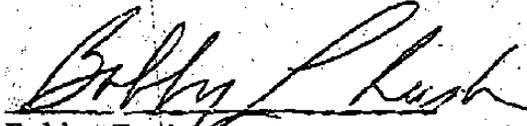
Robert Matsui
Robert Matsui

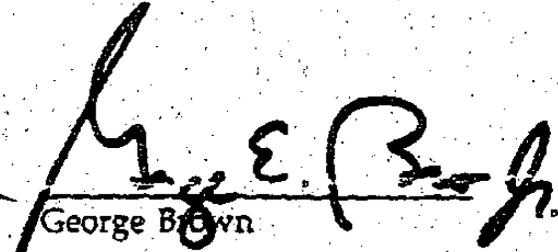
Barbara Rose Collins
Barbara Rose Collins

Eva Clayton
Eva Clayton

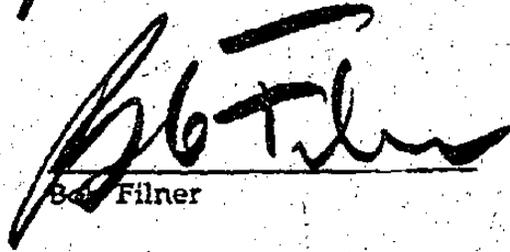
Bennie Thompson
Bennie Thompson

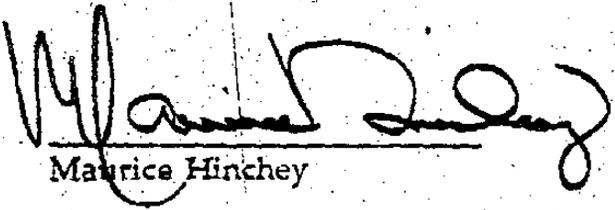
The Honorable Donna Shalala
October 15, 1994
Page 5


Bobby Rush

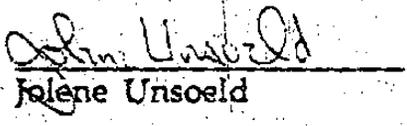

George Brown

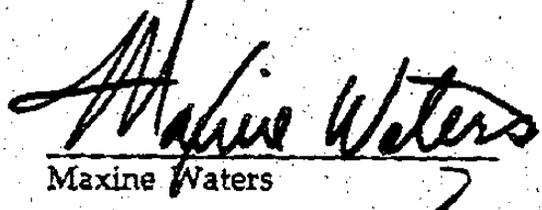

Charles Rangel

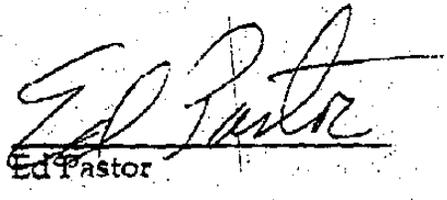

Bob Filner

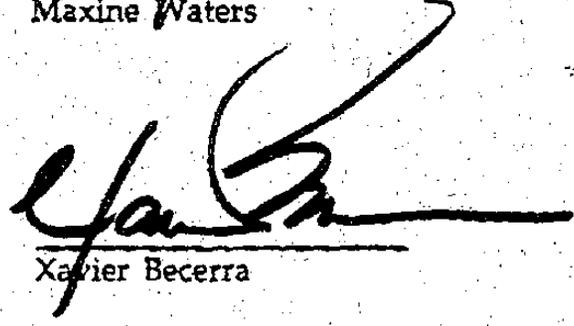

Maurice Hinchey


Nancy Pelosi


Jolene Unsoeld


Maxine Waters


Ed Pastor


Xavier Becerra

STATEMENT FOR CONGRESSMAN FLOYD H. FLAKE
BEFORE THE COMMITTEE ON WAYS & MEANS
JULY 27, 1994

*WR -
Family Cap*

GOOD MORNING MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE.

MR. CHAIRMAN, AS WE MOVE FORWARD IN THE WELFARE REFORM DEBATE WHICH HAS GENERATED MISTRUST AND UNREALIZED EXPECTATIONS AMONG MILLIONS OF AMERICANS, WE MUST CONFRONT THE MANY ISSUES THAT UNDERLIE THIS DEBATE WITH COMPASSION AND HUMILITY. WE MUST FOCUS OUR LIMITED RESOURCES ON POLICIES WITH THE GREATEST POTENTIAL OF TRANSFERRING WELFARE FROM A CONSTANT CONDITION TO A BRIDGE OF SELF-SUFFICIENCY. THEREFORE, ON JUNE 8, 1994, I INTRODUCED, H.R. 4546, THE FAMILY INVESTMENT AND SELF SUFFICIENCY ACT OF 1994 (FISSA). THIS LEGISLATION RECONCILES THE REALITIES OF WELFARE WITH THE DIFFICULT FACTS OF MAINSTREAM ECONOMICS AND THE WORKPLACE.

MY PROPOSAL ATTEMPTS TO REMOVE THE BARRIERS THAT PUT OUR CURRENT WELFARE SYSTEM AT ODDS WITH CORE AMERICAN VALUES SUCH AS RESPONSIBILITY AND PERSONAL INVESTMENT. I BELIEVE THAT WE SHOULD PROMOTE REAL OPPORTUNITY FOR WELFARE RECIPIENTS WHILE AT THE SAME TIME RECOGNIZE THE GOVERNMENT'S ROLE IN ASSISTING THOSE AMERICANS WHO ARE WILLING TO HELP THEMSELVES. MY LEGISLATION INCLUDES PROVISIONS FOCUSED ON ESTABLISHING A NEW PARTNERSHIP OF MUTUAL RESPONSIBILITY. HISTORICALLY, WELFARE HAS DISCOURAGED SAVINGS AND ENTERPRISE. IN TURN, THESE RULES HAVE PREVENTED GENERATIONS OF WELFARE RECIPIENTS FROM BREAKING THE CYCLE OF POVERTY. UNDER FISSA, RECIPIENTS WILL BE ABLE TO INVEST IN QUALIFIED ASSET ACCOUNTS AND MICRO-ENTERPRISE ACCOUNTS SO THAT THEY CAN DEVELOP THE FINANCIAL BASE FOR ECONOMIC VIABILITY.

I.

THIS BILL REMOVES THE RESTRICTIONS ON ASSET ACCUMULATION BY WELFARE RECIPIENTS BY RAISING THE AFDC SAVINGS LIMIT ABOVE THE CURRENT \$1,000 CEILING FOR INDIVIDUALS SAVING FOR EDUCATION, EMPLOYMENT TRAINING, IMPROVING JOB SKILLS, STARTING A NEW BUSINESS, PURCHASING A NEW HOME OR MOVING EXPENSES FOR A NEW HOME. THE NEW LIMIT WOULD BE \$10,000. A QUALIFIED ASSET ACCOUNT WOULD BE AN INTEREST BEARING, TAX-BENEFITED ACCOUNT WHOSE DEPOSITS WOULD BE MATCHED ON A SLIDING SCALE BY THE FEDERAL GOVERNMENT. FUNDS FROM THESE ACCOUNTS COULD BE WITHDRAWN WITHOUT PENALTY ONLY FOR THE STATED PURPOSES.

I CONTEND THAT ASSET BUILDING REPRESENTS A PROPER SHIFT IN OUR WELFARE POLICY FROM SPENDING AND CONSUMPTION, TO A POLICY BASED ON SAVINGS AND INVESTMENT. MORE IMPORTANTLY, THIS LEGISLATION ALLOWS THE GOVERNMENT TO BECOME A PARTNER RATHER THAN AN OBSTACLE TO HELPING WELFARE RECIPIENTS PARTICIPATE IN THE AMERICAN DREAM. THE OVERLOOKED ELEMENT IN THE WELFARE REFORM DEBATE IS THE PEOPLE WHO STILL BELIEVE IN THE AMERICAN DREAM, THOSE WHO ARE READY TO SAVE AND INVEST THEIR OWN TIME AND EFFORT AND RESOURCES TO PURSUE EDUCATION, TO WORK, AND EVEN SOMETIMES TO CREATE THEIR OWN JOBS. HISTORICALLY, THE UNITED STATES ANTI POVERTY EFFORTS HAVE FOCUSED ON INCOME DEPENDENCE AND SOCIAL SERVICE PROVISIONS.

HOWEVER, MY PROPOSED ASSET-BASED WELFARE REFORM PROVISION OFFERS THE POSSIBILITY, FOR THE FIRST TIME IN A CENTURY, TO ADD A SUBSTANTIAL DEVELOPMENT COMPONENT. THE ASSET ACCOUNT IS DESIGNED TO ENCOURAGE, ENABLE, AND FACILITATE LOW-INCOME PEOPLE MOVING INTO THE MAINSTREAM ECONOMY AS MARKETABLE EMPLOYEES AND ENTREPRENEURS. I BELIEVE THAT ASSET-BASED REFORMS ARE AN INVESTMENT LIKELY TO PRODUCE RETURNS TO WELFARE RECIPIENTS, OUR GOVERNMENT, AND THE GENERAL PUBLIC WELL IN EXCESS OF THEIR COST.

II.

TO FURTHER UNDERScore THE THEME OF REAL OPPORTUNITY, MY PROPOSAL WOULD EXTEND COVERAGE TO ALL NEEDY TWO-PARENT FAMILIES. THIS PROVISION ELIMINATES THE CURRENT MARRIAGE PENALTY.

PRESENTLY, AFDC ONLY COVERS FAMILIES WHERE BOTH PARENTS ARE IN THE HOME IF: ONE PARENT IS INCAPACITATED, THE PARENT WHO IS THE PRINCIPLE EARNER WORKS LESS THAN 100 HOURS A MONTH AND HAS A PRIOR WORK EXPERIENCE. THIS ANTI-FAMILY RULE PENALIZING A FAMILY FOR HAVING TWO PARENTS IN THE HOME AND IS CONTRADICTORY TO SELF-SUFFICIENCY AND RESPONSIBILITY. THE SYSTEM SHOULD PROVIDE COVERAGE FOR FAMILIES WITH CHILDREN BASED ON NEED WITHOUT REGARD TO WHETHER BOTH PARENTS ARE IN THE HOME.

ALSO, MY PROPOSAL EXTENDS THE CURRENT \$30 AND 1/3 INCOME DISREGARD TO STEPPARENTS WHO MARRY WELFARE RECIPIENTS PRESENTLY ONLY AVAILABLE TO BIOLOGICAL PARENTS. CURRENT AFDC RULES HAVE NO PROVISION FOR DEDUCTIONS OF AMOUNTS SPENT ON CHILD CARE OR FOR A GENERAL INCOME DISREGARD IN CONSIDERING THE EARNED INCOME OF A STEPPARENT FROM WHOM INCOME IS CALCULATED WHEN DETERMINING AFDC BENEFITS. WHEN CALCULATING AFDC ELIGIBILITY, THE STATE ALLOWS THE STEPPARENT A DEDUCTION EQUAL TO THE AMOUNT OF THE STATE STANDARD OF NEED FOR THAT INDIVIDUAL AND HIS OR HER DEPENDENTS WHO ARE NOT RECEIVING ASSISTANCE. THIS POLICY HAS THE EFFECT OF FORCING A STEPPARENT TO CHOOSE BETWEEN LEAVING THE HOUSEHOLD OR BEING PLUNGED INTO POVERTY WHEN CHOOSING TO CARE FOR CHILDREN FOR WHOM THEY ARE NOT LEGALLY RESPONSIBLE.

III.

ADDITIONALLY, FISSA PERMITS STATES WHO DESIRE TO CREATE AN ADEQUATE SUPPORT MECHANISM FOR FAMILIES ATTEMPTING TO WORK THEIR WAY OFF WELFARE. TRANSITIONAL CHILD CARE BENEFITS WOULD BE EXTENDED FOR EMPLOYED FORMER WELFARE RECIPIENTS FROM 12 MONTHS TO 24 MONTHS AFTER THEIR CASH ASSISTANCE ENDS. MANY PEOPLE DON'T REALIZE THAT MOST STUDIES CONCLUDE THAT ONLY 1/2 OF RECIPIENTS EXIT WELFARE WITHIN 12 MONTHS COMPARED TO MORE THAN 2/3 WITHIN 24 MONTHS.

THIS ADDITIONAL ASSISTANCE IS AN EXAMPLE OF HOW TO MAKE WELFARE A TRANSITIONAL BRIDGE RATHER THAN A PERMANENT CONDITION. IF OUR GOAL IS TRULY TO ASSIST WELFARE RECIPIENTS ENTER THE WORKFORCE, THEN WE MUST CONSIDER CHILD CARE AS AN IMPORTANT TOOL FOR ACCOMPLISHING THIS OBJECTIVE.

IN ADDITION, MY LEGISLATION ADDRESSES THE ISSUE THAT CHILDREN BORN INTO POVERTY ARE MORE LIKELY TO HAVE HEALTH PROBLEMS WHEN THEY ARE YOUNG. THEREFORE, I HAVE INCLUDED A CHILD IMMUNIZATION PROVISION WHICH ALLOWS A STATE AN OPTION TO DENY THE FAMILY PORTION OF AFDC BENEFITS TO ANY FAMILY WHICH DOES NOT BRING ITS CHILD INTO COMPLIANCE WITH HHS IMMUNIZATION REQUIREMENTS. HOWEVER, I INCLUDED A SAFEGUARD PROVISION FOR FAMILIES WHO FAIL TO COMPLY DUE TO LACK OF ACCESS TO AVAILABLE HEALTH CARE PROVIDERS.

OUR GOAL IS TO SAVE MONEY THROUGH PREVENTION ON THE FRONT END BY AVOIDING SERIOUS AND COSTLY MEDICAL PROBLEMS IN THE FUTURE. WE ARE ENSURING THE SAFETY AND WELL BEING OF CHILDREN EVEN IN THE EVENT OF NON-COMPLIANCE BY THEIR PARENTS.

CONCLUSION:

WELFARE AS WE KNOW IT HAS FAILED. "INSTEAD OF BEING A WAY STATION FOR MANY PEOPLE, IT HAS BECOME A STIFLING WAY OF LIFE." THEREFORE, OUR EFFORTS SHOULD BE FOCUSED ON CHANGING THE LIFESTYLES AND ECONOMIC WELL-BEING OF WELFARE RECIPIENTS. IN MY CONGRESSIONAL DISTRICT AND ACROSS THE NATION, WELFARE REFORM HAS BEEN A MAJOR ISSUE. WE MUST SEIZE THIS OPPORTUNITY AND OUTPOURING OF PUBLIC WILL TO TAKE BOLD AND AGGRESSIVE ACTIONS IN ADDRESSING THE WELFARE ISSUE.

M E M O R A N D U M

TO: FLOYD H. FLAKE

FROM: IRVING DANIELS

RE: ADDENDUM TO TESTIMONY FOR WELFARE HEARING
(FAMILY CAPS)

DATE: JULY 27, 1994

H.R. 4546, THE FAMILY INVESTMENT AND SELF-SUFFICIENCY ACT OF 1994 (FISSA) WILL INCLUDE A FAMILY CAP PROVISION. STATES WILL HAVE THE OPTION TO DENY ADDITIONAL CASH BENEFITS TO MOTHERS WHO GIVE BIRTH TO CHILDREN WITHIN A 10 MONTH PERIOD OF RECEIVING ASSISTANCE. THIS APPROACH IS CONSISTENT WITH THE RULES OF THE WORKPLACE; WORKING FAMILIES DO NOT RECEIVE RAISES AT WORK WHEN THEY HAVE ADDITIONAL CHILDREN. IMPOSING "FAMILY CAPS" DEMANDS A LEVEL OF RESPONSIBILITY OF THE RECIPIENT. WE ARE ASKING NO MORE OF RECIPIENTS THAN WE ASK OF WORKING CITIZENS.

THE INTENT OF THIS PROVISION IS NOT TO PUNISH FAMILIES. WE WANT RECIPIENTS TO UPHOLD THEIR END OF THE CONTRACTUAL AGREEMENT WHILE RECEIVING WELFARE BY NOT INCREASING THEIR FINANCIAL BURDENS. FISSA WILL CONTINUE TO PROVIDE CHILDREN WITH HEALTH CARE AND FOOD STAMPS, BUT WILL DENY THE PARENT THE INCREMENTAL CASH ASSISTANCE FOR HAVING ADDITIONAL CHILDREN.

THE WHITE HOUSE
WASHINGTON

FAX COVER SHEET

OFFICE OF THE ASSISTANT TO THE PRESIDENT FOR DOMESTIC POLICY
SECOND FLOOR, WEST WING
THE WHITE HOUSE
WASHINGTON, DC 20500
(202)456-2216 PHONE
(202)456-2878 FAX

TO: Jeremy / Kathi / Bruce

FAX #: _____

FROM: CAROL H. RASCO

DATE: 6/24/94

NUMBER OF PAGES (including cover sheet): 3

COMMENTS: _____

If you have any problems with the fax transmission, please call
at (202)456-2216.

The document accompanying this facsimile transmittal sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying or distribution, or the taking of any action in reliance on the contents of this communication is strictly prohibited.

HHS NEWS

WPK Family Cap

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Friday, June 24, 1994

Contact: David Siegel
(Office)--(202) 401-9215
(Home)--(703) 642-8502

HHS Deputy Secretary Walter D. Broadnax today approved a welfare demonstration program for Wisconsin known as the AFDC Benefit Cap(ABC) Demonstration Project.

"We remain committed to working with states so they receive expeditious and careful review of their welfare waiver proposals," Broadnax said.

Under ABC, Wisconsin will not provide, except under certain conditions, any additional benefits to existing Aid to Families with Dependent Children cases due to the birth of a child when the birth occurs more than 10 calendar months after implementation of the demonstration.

New AFDC cases will receive no additional benefits when the birth occurs more than 10 calendar months after both the implementation date of the demonstration and the application or reapplication for AFDC benefits. However, additional children will remain eligible for Medicaid benefits and food stamps.

All AFDC recipients will be offered family planning services and instructions on parenting skills.

"State flexibility and testing different approaches to encourage responsibility continue to be factors in our review of proposed state demonstrations," said Mary Jo Bane, assistant secretary for children and families. "I look forward to reviewing the results of this demonstration."

The demonstration will be implemented statewide no earlier than Jan. 1, 1995, and no later than Jan. 1, 1996. A rigorous evaluation is required.

WR - Family Cap



Legal Defense and Education Fund

99 HUDSON STREET • NEW YORK, NY 10013 • (212) 925-6635 • FAX: (212) 226-1066

This facsimile is intended only for the use of the addressee named herein and may contain legally privileged and confidential information. If you are not the intended recipient of this facsimile, you are hereby notified that any dissemination, distribution, or copying of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the address above via the United States Postal Service. We will reimburse you any costs you incur in notifying us and returning the facsimile to us. Thank you.

To: Bruce Reed

Date: 4-15-94

From: Kathleen Lyon

Page 1 of 4

April 15, 1994

President William J. Clinton
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Clinton:

As national, state and local organizations, we are united in our efforts to promote the health and welfare of America's families. We have been following the current welfare reform debate, and we are writing to express our concern about the **harmful impact of the CHILD EXCLUSION proposal** contained in the Administration's most recent draft plan (Possible Elements in the Welfare Reform Proposals, March 22, 1994, at p. 13) These provisions, similar to ones already adopted on an experimental basis in several states, deny AFDC benefits to any child conceived and born after the family enrolls in the AFDC program.

Our principal concern is that child exclusion plans hurt the children of already impoverished families. By completely cutting off benefits for any child conceived while a family is on AFDC, the administration will punish innocent children and their siblings in families struggling to stretch meager resources just to provide the necessities for their children.

Second, years of social science scholarship, some of it authored by high-ranking officials in your own administration, make it clear that people make childbearing decisions for complex and varied reasons. The promise of a tiny incremental gain in welfare benefits is not an inducement to have additional children. In fact, the increased costs of another child are not nearly offset by the additional benefits.

Third, the Administration's support for child exclusion plans contravenes all of your other policies and legislative initiatives to promote "healthy children, healthy families." We applaud your advocacy of increased funding for Head Start and the Women, Infants and Children program, to name just two. However, proposing this particular welfare "reform" of excluding poor infants from basic subsistence coverage while supporting other programs for children is, at best, counter-productive.

Finally, any short-term fiscal saving to be gained from the exclusion of children from the welfare program will be more than outpaced by the long-term social costs of further impoverishing children and families already in distress.

When you ran for President, you promised to be a champion for America's children. We urge you to provide that leadership now by eliminating the child exclusion from your Administration's welfare reform plan. Lest there be any misunderstanding, we believe that proposing a child exclusion as a "state option" is not an acceptable compromise. We view a state option as an open invitation to the states to deprive children of subsistence benefits. This approach is not a compromise, but rather a failure of the Administration's promise to America's children.

We would be happy to work with you to fulfill that promise. Toward that end, a delegation of our organizations hereby requests a meeting with you, Mr. President. Thank you for your swift attention to our request and to the matter of child exclusion.

**NOW Legal Defense and Education Fund
ACLU (American Civil Liberties Union)**

Advocates for Youth (formerly The Center for Population Options)

Catholics for Free Choice

Center for Advancement of Public Policy

CLASP (Center for Law and Social Policy)

Center for Reproductive Law and Policy

Center for Women Policy Studies

Child Welfare League of America

Family Service America

Feminist Majority

Institute of Sisters of Mercy of the Americas, Leadership Team

Lutheran Office for Governmental Affairs, ELCA

Legal Services of New Jersey

NARAL (National Abortion and Reproductive Rights Action League)

National Black Women's Health Project

National Council of Churches

National Council of Jewish Women

NOW (National Organization for Women)

National Women's Law Center

NETWORK: A National Catholic Social Justice Lobby

Planned Parenthood Federation of America

Puerto Rican Legal Defense & Education Fund

Unitarian Universalist Association (D.C. office)

United Church of Christ, Office for Church in Society

Women of Reform Judaism

Women's Legal Defense Fund

(list in formation)

cc: The Honorable Donna Shalala
Alexis Herman
Melanne Verveer
Ricki Seidman
Doris Matsui
Carol Rasco
Bruce Reed
Mary Jo Bane
David Ellwood
Christine Anne Varney
John Podesta
Michael Wald
Patricia Sosa
Wendell Primus

April 15, 1994

President William J. Clinton
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Clinton:

As national, state and local organizations, we are united in our efforts to promote the health and welfare of America's families. We have been following the current welfare reform debate, and we are writing to express our concern about the **harmful impact of the CHILD EXCLUSION proposal** contained in the Administration's most recent draft plan (Possible Elements in the Welfare Reform Proposals, March 22, 1994, at p. 13) These provisions, similar to ones already adopted on an experimental basis in several states, deny AFDC benefits to any child conceived and born after the family enrolls in the AFDC program.

Our principal concern is that child exclusion plans hurt the children of already impoverished families. By completely cutting off benefits for any child conceived while a family is on AFDC, the administration will punish innocent children and their siblings in families struggling to stretch meager resources just to provide the necessities for their children.

Second, years of social science scholarship, some of it authored by high-ranking officials in your own administration, make it clear that people make childbearing decisions for complex and varied reasons. The promise of a tiny incremental gain in welfare benefits is not an inducement to have additional children. In fact, the increased costs of another child are not nearly offset by the additional benefits.

Third, the Administration's support for child exclusion plans contravenes all of your other policies and legislative initiatives to promote "healthy children, healthy families." We applaud your advocacy of increased funding for Head Start and the Women, Infants and Children program, to name just two. However, proposing this particular welfare "reform" of excluding poor infants from basic subsistence coverage while supporting other programs for children is, at best, counter-productive.

Finally, any short-term fiscal saving to be gained from the exclusion of children from the welfare program will be more than outpaced by the long-term social costs of further impoverishing children and families already in distress.

When you ran for President, you promised to be a champion for America's children. We urge you to provide that leadership now by eliminating the child exclusion from your Administration's welfare reform plan. Lest there be any misunderstanding, we believe that proposing a child exclusion as a "state option" is not an acceptable compromise. We view a state option as an open invitation to the states to deprive children of subsistence benefits. This approach is not a compromise, but rather a failure of the Administration's promise to America's children.

We would be happy to work with you to fulfill that promise. Toward that end, a delegation of our organizations hereby requests a meeting with you, Mr. President. Thank you for your swift attention to our request and to the matter of child exclusion.

cc: **The Honorable Donna Shalala**
Alexis Herman
Melanne Verveer
Ricki Seidman
Doris Matsui
Carol Rasco
~~**Bruce Reed**~~
Mary Jo Bane
David Ellwood
Christine Anne Varney
John Podesta
Michael Wald
Patricia Sosa
Wendell Primus

WR - Family Cap

NOW Legal Defense and Education Fund
ACLU (American Civil Liberties Union)

Advocates for Youth (formerly The Center for Population Options)

Catholics for Free Choice

Center for Advancement of Public Policy

CLASP (Center for Law and Social Policy)

Center for Reproductive Law and Policy

Center for Women Policy Studies

Child Welfare League of America

Family Service America

Feminist Majority

Institute of Sisters of Mercy of the Americas, Leadership Team

Lutheran Office for Governmental Affairs, ELCA

Legal Services of New Jersey

NARAL (National Abortion and Reproductive Rights Action League)

National Black Women's Health Project

National Council of Churches

National Council of Jewish Women

NOW (National Organization for Women)

National Women's Law Center

NETWORK: A National Catholic Social Justice Lobby

Planned Parenthood Federation of America

Puerto Rican Legal Defense & Education Fund

Unitarian Universalist Association (D.C. office)

United Church of Christ, Office for Church in Society

Women of Reform Judaism

Women's Legal Defense Fund

(list in formation)

WR - Family Cap

Shalala doubts welfare caps' value

But she backs waivers allowing states to test new programs

By KAREN J. COHEN 3/29/94
States News Service

Washington, D.C. — Capping welfare payments for women who get pregnant while on public assistance — as has been considered in Wisconsin — probably would not reduce welfare rolls, Donna E. Shalala said Monday.

But the secretary of the Department of Health and Human Services also said states should not be barred from trying such an approach.

"I think we ought to find out whether it makes a difference," she said. "Do I think it is going to make a difference? The answer is no."

There is not enough research to show whether such an approach would have an impact, she said.

"That is one of the reasons we are allowing a couple of states to experiment with that, because we don't know if it changes be-

havior," she said.

Shalala is scheduled to attend the grand opening of Milwaukee's Sixteenth Street Community Health Center's new \$2 million addition Tuesday. The ceremony is set for 10 a.m. at the center, 1032 S. 16th St.



Shalala: Willing to experiment

Because of ethics laws, Shalala said he could not discuss or make decisions on Wisconsin waivers or applications because she remains formally attached to the University of Wisconsin.

She said she could not talk about Gov. Tommy G. Thompson's proposal, similar to one in

New Jersey, that would prohibit people on Aid to Families with Dependent Children from receiving higher benefits for children conceived while the recipient was on welfare.

Democrats in Wisconsin's Legislature killed Thompson's proposal last week by bottling it up in committee.

Eleven other states besides Wisconsin have received waivers to experiment with reform proposals. Wisconsin has a waiver for its demonstration plan that ends benefits after two years.

The waivers are aimed at finding out what works, Shalala said.

Most welfare mothers have about the same number of children as do women not on welfare, and the key to long-term welfare reform is support benefits, Shalala said.

President Clinton's proposal to alter welfare, slated to be submitted to Congress later this spring,

would limit benefits to two years but provide continued health care and child care to those who find work.

"The problem is not getting people off welfare," she said. "Seventy percent of people who get on welfare get off in two years. It is staying off welfare. And that is because your child care falls apart or you don't have health care."

Both state and federal welfare reform proposals signal a change in philosophy about public assistance, Shalala said.

"That has been building over a period of time," she said. "The fundamental premise is we ought not to have a welfare system, we ought to have a transition system to work."

"We understand that people's lives fall apart and they end up on welfare. But it ought to be for a short period of time as they prepare to go to work," Shalala said.

Mike Santucci

Births to N.J. welfare moms drop

Cheryl Wetzstein
WASHINGTON TIMES

Fewer babies were born in New Jersey in the first three months of the controversial welfare program designed to discourage out-of-wedlock births.

Proponents of the family cap are encouraged by the lower birth numbers.

Opponents, who call the cap a "child exclusion," say it's too early to draw conclusions and that the program's greatest achievement is penalizing poor mothers and their newborn babies.

A family cap is in a major welfare reform bill to be unveiled today by House and Senate Republicans, led by Rep. James M. Talent, Missouri Republican.

The New Jersey program, written by state Assemblyman Wayne Bryant, does not increase Aid to Families with Dependent Children benefits for women who have additional children. In the past, a mother on AFDC typically received an extra \$64 a month for another baby.

To encourage welfare mothers to work to support their children, the state has changed its rules regarding income.

Typically, AFDC checks are reduced \$1 for each \$1 of reported income. Under the new rules, many working welfare mothers are allowed to keep about \$200 of wages plus the full AFDC check.

Rutgers University is monitoring and evaluating New Jersey's five-year experiment, which began in August.

Between August and October, the state Department of Human Services reported 3,655 births to AFDC mothers.

That was a drop of 365 births from the same period in 1992, even though the average number of families on AFDC grew by about 5,000.

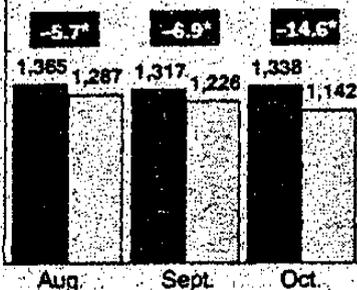
The lower birth numbers "aren't conclusive, but they are very, very encouraging," said Clint Bolick, vice president of the Institute for

TRACKING NEW JERSEY'S WELFARE BIRTH RATE

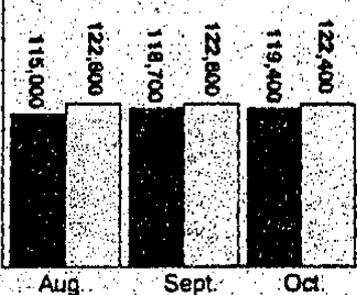
Since New Jersey instituted an experimental welfare reform policy, which does not increase Aid to Families with Dependent Children cash grants for welfare families who have additional children after August 1993, more people have been added to the rolls but fewer babies have been born.

■ 1992
□ 1993

Number of babies born to AFDC mothers in New Jersey



Number of AFDC families in New Jersey



* Percent change, not adjusted for caseload

Source: New Jersey Department of Human Services

The Washington Times

Justice, a legal defense organization in Washington.

"This proves that disincentives and incentives work," said Sam Brunell, executive director of the American Legislative Exchange Council (ALEC).

The Institute for Justice, ALEC and another welfare-reform group have asked to join the defense in a lawsuit filed against the program by the Legal Services of New Jersey and other groups.

The plaintiffs want to block the state from implementing the family cap and force the U.S. Department of Health and Human Services to revoke the waiver it granted New Jersey to conduct the program.

Legal Services court papers argue that "the child exclusion harms innocent infant children by cutting off resources for their most basic needs in an attempt to penalize or deter conduct of their mothers, over which these children have absolutely no control."

Lawyers yesterday said a status meeting on the lawsuit is sched-

uled for tomorrow in New Jersey.

Michael C. Laracy, a longtime New Jersey welfare policy planner who is finishing a three-month fellowship at the Center for Law and Social Policy in Washington, said any conclusions about the program's efficacy are premature.

AFDC mothers, not realizing their babies are eligible for Medicaid or food stamps, may delay reporting births for months, thus skewing the numbers, he said.

Media attention on the cap may have caused some women to avoid having children, but when the media moves on, the effect may dissipate, Mr. Laracy said. The economics of the cap, he said, may not be enough to persuade women not to have babies.

More important, he said, the cap was intended to induce new mothers to get jobs, but evidence does not show that has happened.

"I'm not saying [the cap] won't be a success," he said in a recent interview, "but it's much too early to say."

PURSUE FAMILY CAPS

States have pursued or implemented "family cap" for Aid to Families With Dependent Children. Under a cap, benefits are not increased with the birth of a child. The "Contract With America" welfare reform proposal would impose a family cap on AFDC benefits.

Proposed	Implemented	Legislature approved	Waivers requested	Waivers approved	Caseload affected
Jan. 94	—	April 94	Aug. 94	—	Statewide
Jan. 93	July 94	—	Jan. 93	April 94	65 counties
Jan. 94	—	1994	March 94	—	Statewide
1993	Jan. 94	1993	June 93	Nov. 93	Statewide, except small control group
Jan. 94	Jan. 95	—	June 94	Dec. 94	50%
—	—	May 94	July 94	—	Statewide
July 93	—	Defeated	—	—	48%
Jan. 94	—	Defeated	—	—	—
Jan. 94	—	Defeated	Feb. 94	—	Statewide
Jan. 94	—	—	Oct. 94	—	Omaha area, then statewide
shire May 94	—	—	—	—	Statewide
April 91	Oct. 92	Jan. 92	April 92	June 92	Selected counties
nd Feb. 94	—	Defeated	—	—	Statewide
Jan. 94	—	1994	Nov. 94	—	3,000 cases a year for three years
Feb. 91	July 94	July 91	March 92	April 92	First-time teen parents in four counties
May 93	Jan. 95	Oct. 93	July 9	Oct. 93	1,000 cases in two counties
Feb. 94	Jan. 96	Jan. 95	Feb. 9	June 94	Statewide

Governors' Association, individual states.

The Washington Times

MONDAY, JANUARY 30, 1995

The Washington Times

W- Family Cap

-life
likely
welfare
family cap

Wetzstein
ON TIMES

t fundamental principle
behavior... is that if you
something, you get more
p. Dave Camp said re-
a House hearing on wel-
m.

al policy now rewards
ation of never-married
We intend to reduce the
reward," said the Mich-
blican.

the weapons Republi-
to use to fight illegiti-
is the "family cap."

le says unwed welfare
cannot be given bigger
they have additional chil-
e enrolled in the Aid to
With Dependent Chil-
DC) program.

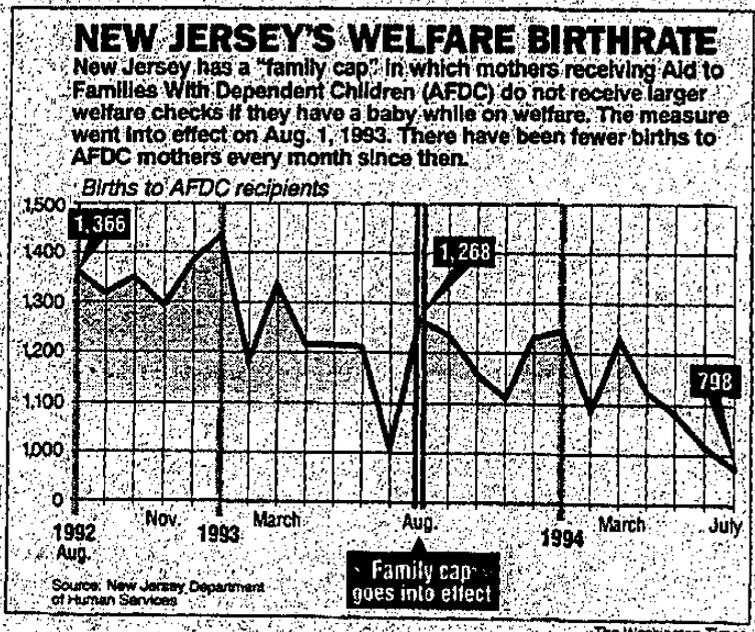
urrent AFDC rules, wel-
ers who have babies re-
e money in their welfare
amount varies state by
ew Jersey, for example,
receives \$102 more a
a second child and \$64
nth for a third child.

rsej now has a cap in
liminary results show
irthrate to women on
ropped each month.
than 5,000 babies have
ded from their families'
nt.

Arkansas, Indiana and
have all started the
eir caps: the policy typi-
cts babies born 10
ter the welfare mother
system.

ontract With America"
orm bill, introduced by
licans, would make the
a national policy.
sure is opposed by pro-
who fear it will encour-
on.

ow, Republican Rep.
r Smith of New Jersey
about the pro-life impli-
the GOP welfare reform



The Washington Times

ized by the House Pro-Life Caucus.

It is unknown how many pregnant unwed welfare mothers would seek abortions if a cap became national policy.

Most of the 4.6 million adults on AFDC are women; all AFDC recipients are eligible for Medicaid.

Medicaid is precluded by the Hyde Amendment from paying for abortions, except under limited circumstances. However, 17 states currently use state funds to pay for abortions for Medicaid recipients, according to the Alan Guttmacher Institute (AGI).

The institute, which is affiliated with the Planned Parenthood Federation of America, projects that "at least 20 percent and perhaps as many as 35 percent" of Medicaid-eligible women would have abortions if the procedure were covered by Medicaid.

In a new report, "The Politics of Blame," AGI said there were about 207,303 Medicaid patient abortions in 1992. AGI projected that if Medicaid funds could be used for abortions, there could be 331,030 abortions a year.

Other opponents of the cap, notably the Children's Defense Fund, the Center for Law and Social Policy and Center on Budget and Policy Priorities, argue that welfare doesn't cause illegitimacy; therefore, cutting welfare benefits will not reduce out-of-wedlock births.

Sharon Daly of the Catholic Charities USA, the nation's largest private network of social service organizations, warned that char-

the huge numbers of families displaced by welfare reforms.

The \$2-a-day increase welfare mothers get in their AFDC checks for additional children is far less than what it would cost to care for the same family privately. Ms. Daley said, "For \$57 a month [in a welfare check], we can avoid a lot of problems."

The family cap is expected to remain in the Republican welfare-reform bill issued by the House Ways and Means Committee next month, legislative staffers say. Republican Reps. Bill Archer of Texas and E. Clay Shaw of Florida, chairmen of the full committee and human resources subcommittee, respectively, have indicated strong support for the measure, as have other House members.

Meanwhile, New Jersey continues to provide the closest look at the cap's consequences.

Since Aug. 1, 1993, when the cap went into effect, the birthrate to AFDC recipients has dropped by 13 percent, said Jacqueline Tencza, spokeswoman in the New Jersey Department of Human Services.

At least 5,087 babies had not been counted in the calculation of their families' AFDC check since Aug. 1, 1993, Ms. Tencza said.

Another 7,041 babies born to New Jersey welfare mothers were added to their mothers' AFDC grant because they were born less than 10 months after the mother's applied for benefits, said Ms. Tencza. Mothers who come into the welfare system pregnant can have

120

WR
Family
Cap

The family value: kids, no cash

Off payments for new births

A1

Crystal Grier
it collects wel-

as born after a
m experiment
cap" went into

that a welfare
not increased if
other child.

that births to
ave dropped an
ent. But the pol-
lided and an-
io already feel
fathomable and

said she knew
ut after getting
ided to have the

gainst my faith,"

the cap is equally

se of having more
can't get no more
d as she cuddled
ate.

the city, 16-year-
gh sat in her par-
sively, watching
ld son, Kashah,

of three persons in
s is on Aid to Fam-
pendent Children
g entered the sys-
gave birth to her

Kashah can't be
DC under the cap,
are eligible for
e and food stamps.
go through [Kash-
for money," Joyius
anted to have a sis-
or my daughter."

he extra \$64 in the
s "hard," she said,
n't think it would

cap, which affects
ce Aug. 1, 1993, is
nove any financial
men on welfare to

re-reform propos-
e Clinton adminis-
make a cap a state
use Republicans'
America" welfare
it a national policy.
o opposition to the
o called the "child
al Services of New
other groups have
stop New Jersey's

"a sham," said Da-
nior attorney with

l, page A9

Legal Services. "Its true intent is
population control."

The cap's real-world impact re-
mains unknown, despite the early
figures showing a 13 percent drop
in births to welfare mothers.

"I don't understand why they
give you money for one and not for
another," said Joyius, who is re-
turning to school to get her high
school equivalency degree.

"It's a terrible policy," said
former welfare mother Tracey
Powell, whose 2-year-old "just
made it" under the deadline. "The
system is supposed to help people
who cannot take care of their fam-
ilies," said Ms. Powell, who re-
cently married and is working to
extricate her family from welfare.

"Mothers want to stay home with
their babies. And there aren't any
jobs."

"No one is saying welfare moth-
ers can't have families. . . . We're
just saying the state won't pay for
it" is how state Assemblyman
Wayne Bryant, Camden Demo-
crat, has explained the welfare re-
forms he wrote.

Before the cap, a mother on
AFDC could receive \$102 more a
month for a second child and \$64
more a month for subsequent chil-
dren.

Under the reform experiment,
Miss Grier, Joyius and other moth-
ers whose newborns are not elig-
ible for AFDC are supposed to
find jobs to support their families.
They would be allowed to keep a
sizable portion — as much as \$200
a month — of their paychecks
without losing any of their welfare
benefits.

The state sweetened the offer
with funding for child care, trans-
portation and other costs to get the
welfare recipient a high school
equivalency degree, job training
and job search skills.

In Camden, nearly 900 welfare
recipients have entered the work
force in the past 20 months, ac-
cording to data from the Camden
County Family Development and
Job Resource Center. Another 657
persons are in job training, more
than 600 are in college, and 1,698
are getting equivalency diplomas,
the agency said.

But it's not likely that mothers
in situations like Miss Grier's will
find work.

"We're visiting Crystal because
she missed her postpartum ap-
pointment, and her children at
home are behind on their immuni-
zations," said Glenda A. Radical,
supervisor of Camden's Healthy
Mothers/Healthy Babies program,
which contacts 1,000 women with
high-risk pregnancies each year.

"She can't get to the clinic with
the five children," Miss Radical
said, adding she knows of many
women in similar situations.

An official evaluation of the
state's welfare reform will be con-
ducted by the Rutgers University

School of Social Work.

Meanwhile, preliminary data
for eight months show a 13 percent
average decline in births, based on
a rate per 1,000, said Jacqueline
Tencza, spokeswoman at the New
Jersey Department of Human Ser-
vices. The decline occurred even
as the AFDC caseload rose, from
about 118,000 in 1992 to 122,700 in
1993, she said.

In Camden, about 80 children a
month are excluded under the re-
form, said Frank Ambrose, assis-
tant administrative supervisor
with the Camden County Board of
Social Services. To date, 1,078 ba-
bies have been excluded in Cam-
den County, he said.

At Our Lady of Lourdes Medical
Center, one of Camden's two major
hospitals, "our data is showing
about a 10 percent decrease in new
patient admissions," said Deb
Bokas, director of social services
at the hospital's Osborn Health
Center. About 90 percent of mater-
nity patients are on Medicaid, the
welfare system's health insurance,
she said.

The decline in births could be
related to the cap, Ms. Bokas said,
but in her estimation "behavior
has not been changed."

"One hundred percent of these
pregnancies are still unplanned,"
she said.

At St. John's Prenatal Clinic in
Camden, "fewer women are com-
ing in pregnant," said a spokeswo-
man, "but we still see the steady
repeaters."

Some welfare mothers — par-
ticularly young ones — see the cap
as a necessary change.

"From what I've seen, I think
the welfare cap is the best thing. It
makes me think that now is the
time to better myself," Toya Pettey
said in a statement in July in sup-
port of the cap. Miss Pettey, 19, has
two children, one of whom was
born after the cap went into effect,
and is currently going for her high
school equivalency degree.

But veteran welfare mothers
are more cynical.

The cap "don't mean a thing. . .
they'll just get pregnant anyway.
They'll just take the food stamps
and Medicaid and figure out the
rest," said Kathryn Blackshear, a
longtime welfare mother and com-
munity leader at the Chelton Ter-
race public housing complex.

Why won't the cap deter births?

"Well, if you are using drugs,
you don't use condoms during
sex," said Carmen Delvalle, an out-
reach worker with the Healthy
Mothers/Healthy Babies program.

Many poor women have low self-
esteem and sex "makes them feel
desirable, it makes them feel spe-
cial," she said. "Also, in the His-
panic community, the male domi-
nates. If he's not going to use a
condom, he doesn't use it."

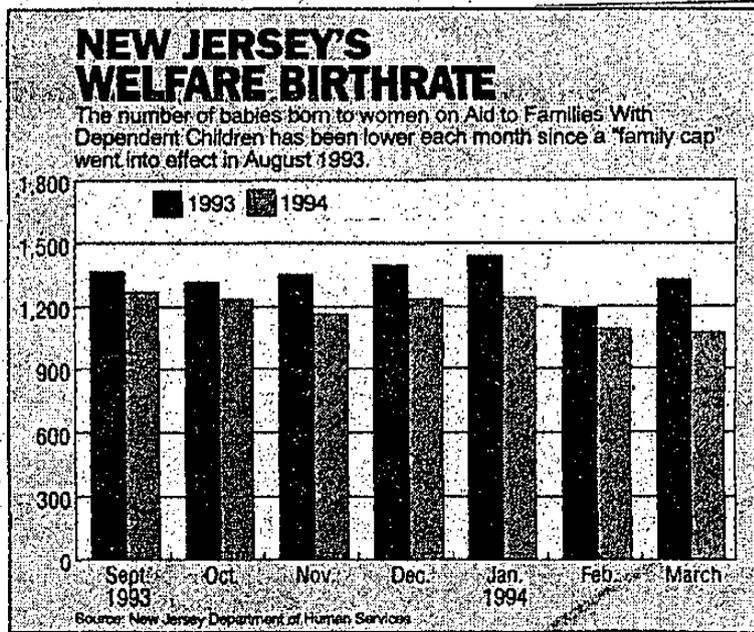
Drug use is rampant in Camden,
"and when you're half-high,"
things happen, said one welfare
mother who admitted that one of
her children was conceived during
a one-night stand. "He told me his
name, but I've never seen him
again," she said.

Other women get pregnant
while "tricking," or prostituting
themselves, the mother added,
speaking on the condition of confi-
dentiality. "Those babies are
called 'trick babies,' and there are
a lot of them, with young girls sell-
ing themselves for drugs or
money."

"The housing here is horren-
dous," Ms. Delvalle noted. "Rent is
\$450 to \$500 for a shack."

If a woman and her children get
evicted and become homeless,
they can bounce from relative to
relative, or they may end up stay-
ing with a male "friend" who sees
sex as a perfectly reasonable ex-
change for room and board, said
the outreach worker.

"If they're staying with a guy
and he wants to sleep with her,
she's not going to say no," added
Michele Watts, another outreach
worker with Healthy Mothers/
Healthy Babies.



115