

draft

WR - Orphanages

REPUBLICANS' PLAN FOR ORPHANAGES COSTS \$68 BILLION,
ERASING THE EARLIER SAVINGS ITS ADVOCATES CLAIMED

Report Notes "Dramatic" Cost-Shift to States and Private Charities

Denying federal welfare payments to the children of poor, unmarried teenagers and using the money for orphanages, as suggested in the House Republicans' "Personal Responsibility Act" could cost as much as \$68 billion a year, according to a report released today by ~~Congressional Budget Office~~ ~~CBO~~. Costs of that magnitude far exceed the \$40 billion in savings that the Republican plan claimed to save in the first five years, the report said.

And with only \$2.3 billion of the total cost anticipated to come from the federal government, the Republican plan represents a "substantial and dramatic cost-shift to states, local taxpayers, and private charities," the report said.

Using the latest available estimates of recipients of Aid to Families with Dependent Children (AFDC), the new report estimates that almost two million children on the rolls were born to unmarried mothers under 21. All of these children could be affected by the Personal Responsibility Act's provision allowing states to end cash assistance to the children of unmarried mothers. States would be required to end assistance to approximately 650,000 children - those born to unmarried mothers under age 18.

With the average cost of residential care -- today's equivalent of orphanages - costing about \$36,000 per child per year, the total cost of this provision of the Republican plan could total \$68 billion a year. Only a fraction the cost would be picked up by the federal government under the Republican plan; since the average federal share of AFDC is just \$1200 per child per year.

"This report clearly shows that the Republican welfare reform plan will not only increase family breakup, it will dramatically increase costs for states and local taxpayers," ~~Senator~~ said. "In fact, the Personal Responsibility Plan will increase the costs of caring for poor children, not reduce them. And neither local governments nor private charities are in a position to pick up the tab."

"Even if you conservatively assume that only 20 percent of these children will end up in orphanages, the annual cost still exceeds \$13 billion a year - or \$65 billion over five years. Helping support children and keeping families together is not only good policy, it's good economics. Even foster care, which costs about \$4800 a year (?) costs more than the average AFDC cost of \$1200 a child," ~~she~~ said.

A state-by-state breakdown compiled by ~~the report~~ showed that the cost-shift to states could reach as much as \$7.5 billion for California, \$4.6 billion for New York, \$4 billion for Florida, \$3.9 billion for Texas and \$2.5 billion for Georgia.

According to ~~the report~~, the \$36,000 average cost of residential care today could underestimate the cost of the Republican plan for orphanages, because many of the children who would be affected are infants who require more labor-intensive and more expensive care. According to the report released today, 36 percent of the children of unmarried mothers under 21 now on AFDC are under 12 months old.

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A state-by-state table is attached.

DRAFT

December 13, 1994

~~Dear Senator,~~

Thank you for your recent request for information. I have attached two tables with the information you requested.

In fiscal year 1993, an estimated 9.5 million children received AFDC. Of this total, approximately 650,000 (7 percent) were children who were born to unmarried women who were under age 18 and an additional 1.3 million (14 percent) were born to women who were between the ages of 18 and 20 at the time of the child's birth. The median federal AFDC benefit per child in a three person family in 1993 was about \$1200 per year.

Table 1

This table provides state and national figures on (1) the total number of AFDC children, (2) the number of AFDC children born to mothers who were under age 18 and between the ages of 18 and 20 at the time of their child's birth, (3) the number of mothers under 18 and between the ages of 18 and 20 currently on the AFDC caseload, and (4) the annual per child AFDC benefit for a family of three.

- Column one shows the total number of AFDC children based upon information from the 1993 AFDC Quality Control data. This is approximately the average monthly number of children receiving AFDC in fiscal year 1993.
- Column two shows the number of current AFDC recipient children who were born to women receiving AFDC under age 18 and column three shows the number of children born to women between the ages of 18 to 20. These columns illustrate the number of children receiving AFDC who were born to minor mothers. If the PRA was fully implemented and in effect since 1975, column two would be an estimate of children whose AFDC eligibility would be eliminated because of section 105 of the PRA. Column three provides an estimate of the number of children would ultimately be eliminated if all states exercised the option given to them in section 107 of the PRA. These state and national counts are based on proportions from tabulations of the 1992 AFDC Quality Control data applied to counts from the 1993 AFDC Quality Control data.
- Column four shows the number of mothers on the AFDC rolls who are currently below the age of 18 and column five shows the number of mothers who are currently between the ages of 18 and 20. These state and national counts are based on proportions from tabulations of the 1992 AFDC Quality Control data applied to counts from the 1993 data.

- Column six shows the federal dollars per child for a mother and two children by state for July 1993. The total state benefits for a three person family come from the Congressional Research Service and the AFDC matching rates came from pp. 674-675 of the 1993 Green Book. The number is computed by dividing the family of three benefit by two (the number of children in the unit) and multiplying the result by a state's AFDC matching rate (FMAP).

Table 2

- This table shows the age distribution of the youngest children of parents below the age of 21. This data comes from tabulations of the 1992 AFDC Quality Control data.

I trust that this information complies with your request. Please call me if I can be of further assistance or if you have any questions about the attached information.

Sincerely,

Wendell Primus

Table 1 - Number of Children and Families Currently on AFDC Born to Young Mothers By State - 1993

STATE	Total Number Of Children (in thousands)	Number of AFDC Children Born When Their Mothers Were Under Age 18 (in thousands)	Number of AFDC Children Born When Their Mothers Were Ages 18-20 (in thousands)	Current Number of Cases with Mothers Under Age 18	Current Number of Cases With Mothers Ages 18-20	Annual Per Child Federal AFDC Benefits (in dollars)
Alabama	98.3	11.8	17.7	840	5,114	709
Alaska	23.2	1.1	1.9	210	984	2,850
Arizona	136.3	8.8	19.8	506	6,642	1,372
Arkansas	38.8	8.0	10.5	463	2,947	911
California	1746.6	64.4	134.7	8,370	56,037	1,872
Colorado	81.3	5.8	12.1	646	3,905	1,162
Connecticut	107.8	9.6	19.0	991	5,499	2,040
Delaware	22.3	2.2	3.8	0	995	1,014
District of Columbia	46.0	4.5	8.0	200	2,415	1,237
Florida	496.8	40.4	72.7	4,873	25,583	1,000
Georgia	279.0	26.5	45.7	1,688	14,294	1,043
Hawaii	38.4	1.5	4.4	96	1,406	2,136
Idaho	13.6	0.6	1.6	89	892	1,354
Illinois	466.0	42.7	93.2	2,373	23,088	1,101
Indiana	133.5	11.7	23.7	551	7,068	1,092
Iowa	69.3	3.6	10.0	525	3,054	1,604
Kansas	57.5	3.4	7.8	238	3,385	1,498
Kentucky	147.1	8.9	17.5	1,260	6,341	981
Louisiana	195.6	20.3	37.0	931	9,168	834
Maine	43.2	2.0	5.0	267	2,052	1,680
Maryland	144.1	14.0	28.4	57	7,686	1,098
Massachusetts	202.8	11.1	30.4	1,140	9,471	1,617
Michigan	429.8	37.7	69.4	923	26,632	1,538
Minnesota	124.6	7.4	15.6	757	3,830	1,753
Mississippi	129.3	13.4	24.9	610	5,538	569
Missouri	166.1	13.8	28.1	1,574	9,798	1,056
Montana	20.5	0.5	2.4	34	1,278	1,706
Nebraska	32.0	2.1	5.3	204	1,811	1,339
Nevada	21.2	1.9	3.5	249	1,775	1,092
New Hampshire	18.2	0.5	1.6	75	785	1,548
New Jersey	246.7	20.3	47.4	814	13,208	1,272
New Mexico	55.9	2.8	7.4	419	3,490	1,582
New York	687.0	42.7	91.9	3,012	27,717	1,731
North Carolina	208.9	20.5	41.9	3,435	14,488	1,076
North Dakota	12.1	0.6	1.6	53	512	1,772
Ohio	494.6	27.2	72.5	2,852	26,483	1,233
Oklahoma	92.7	5.4	12.2	579	4,534	1,354
Oregon	78.3	3.9	9.6	370	4,734	1,722
Pennsylvania	391.3	30.3	62.5	2,368	16,574	1,401
Rhode Island	39.9	2.6	5.8	331	2,621	1,783
South Carolina	101.5	9.8	17.7	287	4,111	855
South Dakota	13.2	0.7	1.9	90	742	1,758
Tennessee	171.3	14.2	27.4	1,301	10,673	750
Texas	531.1	36.4	73.4	5,372	26,269	711
Utah	34.5	1.4	3.8	255	1,814	1,875
Vermont	16.9	0.6	1.9	57	713	2,368
Virginia	127.2	11.2	20.6	531	6,959	1,062
Washington	174.7	7.3	17.7	1,392	8,900	1,802
West Virginia	71.7	3.1	7.1	280	3,224	1,140
Wisconsin	166.3	12.4	27.5	713	8,886	1,874
Wyoming	12.3	0.4	1.3	0	665	1,450
U.S. TOTAL	9191.2	624.8	1301.7	55,317	438,769	1,208/b

Note:

a: The first three columns are expressed in thousands, eg. there are 98,300 children in Alabama and 11,800 were born when their mothers were under age 18 and 17,700 were born when their mothers were between the ages of 18 and 20.

b: Median AFDC benefit level for the United States.

Table 2 - Age Distribution of the Youngest Child of Current AFDC Mothers Under Age 21 - 1992

Ages	Children with AFDC Mothers Under Age 18	Percentage Distribution By Age of Child	Children with AFDC Mothers Ages 18 to 20	Percentage Distribution By Age of Child	TOTAL CHILDREN WITH AFDC MOTHERS UNDER 21	Percentage Distribution By Age of Child
Under 1	28,033	52.2%	146,130	34.2%	174,161	36.2%
1	20,223	37.7%	173,076	41.7%	198,300	41.3%
2	4,122	7.7%	60,392	14.1%	64,514	13.4%
3	209	0.4%	23,858	5.6%	24,067	5.0%
4	276	0.5%	11,543	2.7%	11,819	2.5%
5 and older	849	1.6%	6,929	1.6%	7,778	1.6%
TOTAL	53,712	100.0%	426,928	100.0%	480,639	100.0%

DRAFT

Response to Question on Orphanages

- Q. Doesn't your bill include orphanages, too? Couldn't children end up in orphanages under your bill?
- A. There's never been disagreement that it is sometimes appropriate for child welfare services to intervene in cases where children are being neglected by their parents. The disagreement between the Administration's and the Republicans' welfare reform proposals is not in how we deal with these neglected children, but in how we deal with the children of poverty.

Unlike our proposal, the Republican plan would end benefits to large numbers of children, whether or not their mothers are willing to work. Up to five million children could be cut off under the Personal Responsibility Act, and some could end up in orphanages.

The Administration's bill is very strict with parents who refuse to work or refuse to take responsibility for their children. As under current law, child protection services may be necessary for children who are determined by their state to be neglected by their parents, but we reject the idea of arbitrarily cutting off benefits to children whose parents are willing to work or are disabled and unable to work.

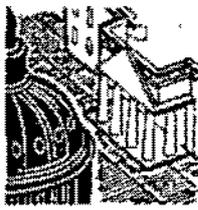
We believe that welfare reform should send a clear message that the system has been fundamentally changed, but it should not punish innocent children whose parents are struggling to work hard and play by the rules.

As Secretary Shalala said before the House Committee on Ways and Means, children should not lose benefits simply "because they were born to a teen-age mother who is willing to work, who is willing to go to school, who is willing to stay home ... Penalizing someone because they refuse to go to work makes sense ... but making innocent children suffer, because a teen-ager, a child herself has a child, seems unfair and indefensible."

Orphanages Aren't Welfare Reform

By Douglas J. Besharov

CLINTON &



CONGRESS

WASHINGTON
"Bring back the orphanages!" For some, this new Republican slogan brings to mind simpler times of clearer moral values. For others, it conjures up Dickensian portraits of empty stomachs and sadistic caretakers and is a sign of how regressive G.O.P. rule could become.

Although the proposal to put more poor children into institutional care has become a hot-button issue, there has been little discussion of its practicality and of the effect it would have on poor families. A clear-eyed view of the numbers shows that for the Republicans this debate is about political symbols, not realistic programs.

Although there are several competing G.O.P. plans, the idea is to deny welfare payments to unwed mothers in order to reduce illegitimacy and to encourage them to work or get married. Without welfare, many single mothers would not be able to take care of their children, and either whole families would be placed in group homes or the children would be placed in orphanages or put up for adoption.

The U.S. has thousands of "congregate care facilities" — the preferred term for orphanages. They house about 30,000 children — as opposed to 420,000 in foster care — and few are the barracks-like buildings of the past; most are small group homes caring for fewer than 15 children. Typically these children did poorly in foster care and were placed in institutions to give them more stable, structured care. We need more of these institutions, especially for children with serious behavioral problems. But they are no substitute for true welfare reform.

About half of today's five million welfare families are headed by a mother who never married. Thus, if the Republicans hard-liners had their way, more than 2.5 million unwed mothers could be denied welfare, and their five million children

Douglas F. Besharov, a resident scholar at the American Enterprise Institute, is visiting professor of welfare policy at the University of Maryland School of Public Affairs.

could face placement. That would be 10 times the number now in foster and institutional care.

Proponents of orphanages argue that this worst-case situation will never arise because the threat of losing their children would have a prophylactic effect on single mothers. But even if out-of-wedlock births declined by 50 percent over the long term — a wildly unprecedented effect for any Government welfare program — about 2.5 million children would still be denied welfare.

Proponents also say that relatives might take in many of these children (and their unwed mothers, too). But about 50 percent of unwed mothers on welfare already live with relatives. And these relatives tend to be equally impoverished: almost 90 percent of unwed teen-agers come from families with incomes below the poverty line. Today's multigenerational welfare households survive by sharing income; take away payments to single mothers, and many extended families would break up.

Even if all the children living with their extended families were able to stay home, that would leave 1.25 million subject to placement in orphanages, an enormously expensive proposition. The average family on welfare — a mother with two children — receives benefits of about \$15,000 a year in cash, food stamps, Medicaid, housing and other services. At a minimum, one year in an orphanage costs \$35,000 per child; some orphanages cost twice that. Thus the cost of such care for the children of an average welfare family would be at least \$72,000 a year.

Within two decades, the total cost would rise to at least \$70 billion a year in today's dollars. Surely a Republican Congress would recoil at spending so much to create a new Government bureaucracy.

It is also doubtful that the nation's child welfare system could absorb so many children. Agencies already have trouble caring for the 450,000 children now in their custody. Some youths are abused or neglected while in care, and many are denied a nurturing and stable environment. Add over a million new "orphans," and we'll have a new social crisis.

And what about race? About 40

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percent of all out-of-wedlock births are African-American, and black women make up a disproportionate share of long-term welfare dependents. In Chicago, 83 percent of black women giving birth for the first time are unmarried. A tough policy that falls heavily on a minority community should give us pause.

Of course, all of this presupposes that the G.O.P. intends follow up its talk of orphanages with strong legislation. But Newt Gingrich and his colleagues have already blinked. The only specific welfare coloff they have proposed — that in the "Contract With America" — is limited to unwed mothers under 18, which would affect only about 628,000 children.

Moreover, according to the contract, if the teen-ager's mother was already on welfare, as many are, the Government would continue to subsidize the teen-ager through Aid to Families With Dependent Children until she is 18. The younger mother would be denied cash assistance for her baby but would continue to receive Medicaid and food stamps for her child. And if a teen-age mother had another baby after she turned 18, she wouldn't be denied any benefits for the second child.

The real effect of these watered-down provisions would be to encourage unwed mothers to live with their families — a laudable goal. But then why reduce benefits to teen-age mothers already living at home? And why promise new benefits for children born after a teen-age mother reaches 18? This is a frightening incentive for more births.

If the plan contained in the contract is unlikely to drive many children into institutional care, why all the talk about orphanages? Perhaps because the Republicans want to signal toughness toward the underclass and a return to traditional values. But they are making a mistake in promoting a mirage, for it needlessly makes them seem cold hearted and undercuts support for their reform agenda.

Orphanages could easily become the welfare reform equivalent of midnight basketball in last year's crime bill — a politically exploitable but otherwise minor provision in an enormously significant piece of legislation. The sooner all sides recognize that orphanages are not the issue, the sooner we can start on real welfare reform. □

Someone Had to Speak Up

By Joycelyn Elders

ROCKVILLE, Md. — President Franklin D. Roosevelt remarked that a society can be gauged by how well it treats its poorest members. Since I became Surgeon General of the United States Public Health Service — the world's largest group of expertly trained public health professionals — I have worked hard to follow the tradition of this office by speaking out about the hard choices we all face in taking care of those who do not have anyone to take care of them. Indeed, even acknowledging the existence of such people is proving difficult for many.

Our country is engaged in a wrenching debate about who we are, where we are going, what we believe in, and the role of government in keeping our nation healthy. Our streets and jails are teeming with children and young people nobody wants. The rates of sexually transmitted diseases continue growing. As parents, teachers and leaders, we cannot stand by and let our children slip away because of ignorance or a failure of courage. This means rel-

Children are dying of diseases that straight talk can prevent.

ing the truth to our young people about the risks of their behavior and giving them ways to reduce these risks.

Many tough and complex public health issues involve some of the most private aspects of life. As Surgeon General, C. Everett Koop was one of the first to sound the alarm with frank talk about the dangers of sexually transmitted diseases and ways to prevent them; his successor, Antonia Novello, did so too.

I regret that some of the words I have uttered about these and other matters have caused discomfort. But I regret even more the realities they describe. Sexual practices are, of course, best left to consenting adults, behind closed doors. But sex becomes a proper subject for government when sexual behavior en-

dangers public health, as is clearly the case with AIDS and other diseases, or when it leads to increased poverty, ignorance and enslavement, as is the case with unplanned, unwanted children.

While absence is always to be urged on young people — and I have urged repeatedly — some of them are far from abstinent. And when they do not have the support system that families can provide, they need to be given information about how to protect themselves.

Nearly half of all poor children in the United States do not grow up in a conventional family, and almost of single-parent households are one-third those of other households in local communities. Local governments and school systems often have no choice but to end up playing the role of surrogate parent.

It is always easier to stay on the sidelines and let others make things happen. This acquiescence allows unhealthy and risky life styles like these to set the pace of our society:

- Nearly 30 percent of Americans under the age of 20 smoke cigarettes, and the average age for first use of cigarettes is 11.5 years. Since last month's elections, tobacco companies are salvaging at the thought of improved marketing conditions.

- About half of 18-to-20-year-olds have used alcohol in the past month, and binge drinking has become a common form of recreation for young people in high school and college. Yet more than a third of primary and secondary schools provide no alcohol or drug education, and only nine states require health education.

- Fewer and fewer teenagers abstain from sexual intercourse, while more and more politicians abstain from the debate about comprehensive health education. And fewer than half of sexually active teenagers used a condom in their last sexual encounter.

- About 40 percent of pregnant minority women do not receive any prenatal care in their first trimester.

Change demands active involvement; sometimes one person with courage can make a majority. "The day we see the truth and cease to speak," said the Rev. Dr. Martin Luther King Jr., "is the day we begin to die." As I leave public life, I will continue to be a voice for the poor and the powerless and to do my best to see that the goals of this Administration are reached to make the world a better place for all God's children.

Joycelyn Elders, who resigned as Surgeon General on Dec. 8, is returning to the University of Arkansas School of Medicine, where she was professor of pediatrics for 26 years.

On My Mind

A. M. ROSENTHAL

Missing at The White House

Searching for the constant heart.

The three men, New Yorkers of the center-right, had voted for Bill Clinton.

"Do you think he can be salvaged?" one of them asked. "What for?" another said. "To do what?" There was a silence then, a long invisible struggle.

That was after Bill Clinton surrendered. The Republicans trounced him on Election Day but the surrender came nine days later, when he had had plenty of time to think about what to say. Essentially what he said after all that cogitation was that the Comeback Kid was again the Turnaround Kid.

The President of a country where children shoot children, where drugs are on the rise again, where workers have not had a real raise in 20 years, where skilled mechanics can find themselves flipping hamburgers part time, decided that the best thing he could do for his country was to pick up political crumbs from the Republican table by handing out a few tax cuts.

Some of the better brains around him thought it was exactly the wrong thing to do; never mind. Never mind that he had promised to devote himself to fighting the deficit that loads Americans down with billions in interest payments. Never mind that tax reduction could lead to inflation, which would take from the American pocket a lot more than tax reduction would put in.

Mr. Clinton knew what he was doing was economically risky and ran against the heart of his preaching. The proof is that although he had mentioned a "middle-class" tax cut during the 1991 campaign, he did not move until he decided it might appease all those angry voters.

Don't politicians appease all the time? Maybe — but when Presidents take the turnaround trail they gamble with the public's trust. And this President does not seem to understand that he has already squandered any public assumption of his constancy; no free turnarounds left.

Constancy is not simply consistency. Nobody expects a President to follow a narrow path every day, never looking down to dodge a hole.

But constancy — you know it when you get it. Steadfastness, faithfulness to purpose and promise, no ducking, no turnarounds, no whome? no playing around with word and intent.

President Clinton began the journey from constancy soon after inauguration. Do you understand exactly what his legal policy toward homosexuals in the armed forces is, or is not? On Bosnia, he is unpredictable from day to day; in wartime, Presidential unpredictability can cost lives. Now, almost offhand, he lets us know that he may do what he swore he would never ever do — send combat troops into Bosnia.

He did well on that in the end — after he had backed and forthed miserably on Haitian refugees. But Cubans now are locked in tropical detention camps for being naive enough to think that it was still heroism, not a crime, to flee dictatorship.

Human rights as an instrument of foreign policy — candidate Clinton said that would be fundamental to his Presidency. Into the can with that, right there with his promise to pressure Beijing for human deficiencies for Chinese and Tibetans. So long, suckers, hello Deng baby.

But still — there's shock when a President whirls around, to get Chinese contracts, or a scrap from the new Republican platform. But I would hate for us to become so cynical about a President that we would not feel pain when he was not true to his promises and premises.

Mr. Clinton gathered his team on TV to present tax cuts as a sudden part of "rethinking" government. If he ever says he is dropping out of the race, millions of Americans who voted for him would be relieved and start candidate-shopping at once, no tears. But I doubt he would or should do that. Politics can turn around fast; see Thomas Dewey Rush.

I vote candidate, not party — Republican or Democrat, President to State Assemblyman. On the Presidency, I dearly would love to vote for somebody twice in a row.

But I know if tax cuts ever become my major political motivation, there is a long list of interesting Republicans who will give me more than the Turnaround Kid, and I might as well vote for the real stuff.

I just looked up something tickling my mind and found that a pool did give fair warning about 350 years ago — love me not for comely grace, nor for a constant heart. Maybe that goes for Presidents too, but it is very sad to think so.

Russell Baker is on vacation.



Child Welfare League of America, Inc.

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WELFARE REFORM Facts on Orphanages

The Child Welfare League of America is committed to child-friendly welfare reform that protects children from harm, and helps families become self-sufficient and escape poverty. CWLA opposes the use of orphanages in welfare reform for the following reasons:

HEALTHY FAMILIES ARE THE BEST PLACE FOR CHILDREN

- Children experience a great deal of stress and trauma when they are forced to leave their birth parents. Severe emotional, psychological, and behavioral problems can result.
- Child welfare experts recognize that orphanages are the wrong place for children who 1) have a loving parent capable of caring for them, and 2) have no need for residential care and treatment.
- Residential group care is very appropriate and necessary for children with emotional, psychological, and/or behavioral problems, generally as a result of abuse or neglect. There are approximately 100,000 children and youth being cared for in residential care.
- The vast majority of AFDC parents do the best they can for their children and do not abuse or neglect their children.

LAW CALLS FOR "REASONABLE EFFORTS" TO AVOID OUT-OF-HOME PLACEMENTS

There are strong legal objections to deeming children "neglected" due to loss of Aid to Families with Dependent Children (AFDC) benefits and placing children in orphanages.

- Removing children from their homes (without evidence of abuse or neglect) and placing them in out-of-home care is contrary to the legislative history of the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272), which requires "reasonable efforts" to prevent the need for out-of-home placement. A blanket policy of placing poor children in orphanages fails to meet that requirement.

VAST MAJORITY OF AFDC PARENTS DO NOT WANT TO BE ON AFDC

- Virtually all AFDC parents want to do whatever it takes to improve the lives of their children. According to a recent study, 83% of AFDC recipients reported that they would leave welfare immediately even for a minimum wage job if it provided health care for their family. However, only 8% of people who leave welfare for work get jobs that provide health insurance.
- Most AFDC parents actively seek to get off welfare. Over 50% of recipients leave the AFDC program on their own within one year; 79% leave within two years. Unfortunately, many are forced to return to AFDC because they 1) lose their health benefits, 2) do not earn enough money to support their family, 3) cannot find quality child care when or where they need it to keep their job, or 4) they experience personal setbacks.

ORPHANAGES WOULD COST 10 TIMES MORE THAN AFDC AND FOOD STAMPS COMBINED
 Moving children from poor families to orphanages would cost taxpayers far more money than providing a "safety net" for their families.

- AFDC and Food Stamps for a parent and two children costs \$7,932 a year.
- Basic residential group care for the same two children would cost approximately \$73,000 a year. Proposals that would spend significantly less money would yield Dickensian conditions, with neither family-like settings nor sufficient child/staff ratios, and would not meet CWLA standards for residential care. In addition, it would cost thousands of additional dollars per child to build enough orphanage facilities, supply specialized services (if needed) to the child, and provide emergency shelter care for parents formerly on AFDC.
- Boys Town estimates its residential group treatment cost for two children at \$98,558 a year.
- Providing out-of-home care for 3 million of the 9.6 million children on AFDC would be extremely expensive. Basic residential group care for 3 million children would cost about \$109.3 billion a year. The cost of AFDC and Food Stamps benefits for 3 million children is approximately \$7.9 billion.
- Charitable organizations already subsidize about 30% of the cost of residential group care with charitable dollars. Our member agencies report that their resources are stretched to the limit.

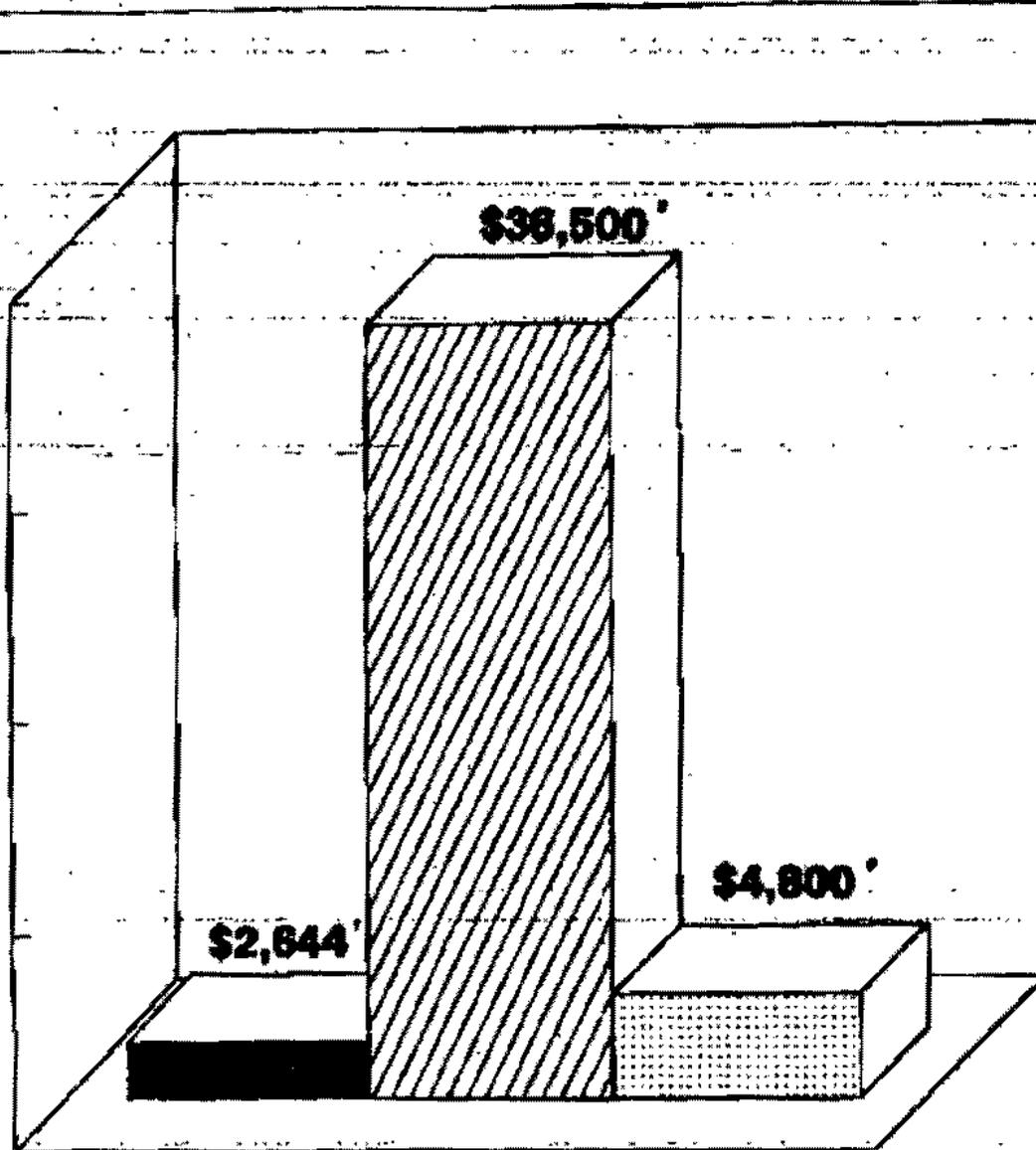
CHILD WELFARE SYSTEM CANNOT KEEP UP WITH INCREASES IN THE NUMBER OF ABUSED AND NEGLECTED CHILDREN - RESOURCES ARE UNAVAILABLE FOR POSSIBLE INFLUX OF ADDITIONAL MILLIONS OF CHILDREN

Child protective services are engaged in triage, investigating suspected child abuse and neglect, and deciding which children to remove from their homes. Child welfare services are overwhelmed because of poverty, drugs, neglected neighborhoods, and a lack of affordable housing and health care. Welfare reform proposals to end AFDC assistance to millions of children would overwhelm the child welfare system, undermine its ability to protect children, and leave many children in jeopardy.

- In 1993, 2.989 million children in the U.S. were reported abused or neglected, up from 1.154 million children in 1980.
- In 1993, 460,000 children lived apart from their families in foster family care, group homes, child care facilities, emergency shelter care, and supervised independent living, up from 280,000 children in 1986.
- In order for the child welfare system to do an effective job responding to the continued increase in child abuse reports, the system needs adequate resources.
- If the Personal Responsibility Act (in the House Republican "Contract with America") were fully in effect today, five to six million children would be denied AFDC assistance. If only one-fifth of these children entered the child welfare system, the nation's child welfare caseload would triple. This influx of children would seriously impair the ability of child protective and child welfare services to protect children.

December 15, 1994

Comparative Costs of Care per Child per Year



- AFDC and Food Stamps
- ▨ Residential Group Care
- ▤ Family Foster Care

This figure represents a child's share of AFDC/Food Stamps in a one-parent family with two children.

This figure assumes a residential group care cost of \$100 per child per day. Costs vary from approx. \$75 to \$250 a day, depending on the needs of the child, the services offered, and the location of the program. Across the country, approximately 30% of the costs of residential group care are subsidized by charitable dollars. Residential group care is an extremely valuable service for many children who need quality care to help them overcome the effects of abuse or neglect and the resulting serious emotional and/or behavioral problems.

This figure assumes a family foster care cost of \$400/child/month. Costs vary from approx. \$250 to \$800/month, depending on the needs of the child, the services offered, and the location of the program.

TOTAL P. 05

Source: Child Welfare League of America, 1994
 U.S. House of Representatives Committee on Ways and Means, 1994

November 22, 1994

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REPUBLICAN QUOTES ON OUT-OF-HOME PLACEMENTS FOR POOR CHILDREN

For more information, call Amy Busch at 690-6853 or Lisa Gilmore at 690-6035.

Representative Newt Gingrich

Gingrich, who seems to delight in his role as public provocateur, refused to surrender or even take cover. He argued that orphanages could provide stability and safety for children from drug- and crime-infested neighborhoods. He called on the first lady to watch "Boys Town," thus prompting Turner's invitation.

— The Plain Dealer, December 27, 1994

... Three weeks ago, the discussion on NBC's Meet the Press had turned to institutions and welfare reform. For months, Mr. Gingrich had suggested that a strict time limit be set on welfare benefits and that children could be taken from parents left without income, if necessary. The children, he said, could be placed in orphanages or foster care.

An interviewer confronted the Georgia Republican with a statement by first

... proposal "unbelievable and absurd."

"I'd ask her to go to Blockbuster and rent the Mickey Rooney movie about Boys Town," Mr. Gingrich replied.

— The Dallas Morning News December 25, 1994, Sunday, HOME FINAL EDITION

What prompted the revival of the orphanage image and the controversy that has accompanied it were remarks by incoming House Speaker Newt Gingrich suggesting that children taken from "welfare mothers" could be placed in orphanages "where they would at least have food, shelter and not get shot at."

What Gingrich meant by the remark, uttered at a Washington Post luncheon, has been the subject of much interpretation. The first lady, for instance, branded the idea "unbelievable" and "absurd." Her husband commented in his weekly radio address that children shouldn't be taken from "loving families." No one would disagree with that position.

— THE ARIZONA REPUBLIC December 18, 1994 Sunday, Final Chaser
SECTION: EDITORIAL/OPINION; Pg. F4 HEADLINE: DICKENS OR 'BOYS TOWN'?;
IN DEFENSE OF ORPHANAGES

Orphanage was the wrong word, Gingrich said at a Washington Post lunch, but he is not retreating on the concept that children should be removed from

environments where they are neglected or abused and have no chance to thrive.

— The Buffalo News December 16, 1994, Friday, City Edition
SECTION: VIEWPOINTS; Pg. 3 HEADLINE: NEWT'S ORPHANAGE IDEAS NOT AS ODD AS THEY SEEM BYLINE: Mary McGrory, Universal Press Syndicate DATELINE: WASHINGTON

... on orphanages, which he said had been the victim of "grotesque distortion" by the news media and the White House.

In extended remarks, Mr. Gingrich said he proposed that states be allowed to experiment with varying ways of tending to displaced and abused children -- including, he said, orphanages or youth hostels -- in contrast to a welfare system that encourages that children be placed with their parents or in foster homes.

Mr. Gingrich said that he had adopted the idea from William Bennett, the conservative scholar and former Education Secretary, and that he believed it might be preferable to a system that now emphasized keeping young people in environments that are breeding grounds for crime and social problems.

— The New York Times December 7, 1994, Wednesday, Late Edition - Final
SECTION: Section B; Page 11; Column 4; National Desk
HEADLINE: Team in Place. Gingrich Comes Out Slugging
BYLINE: By MICHAEL WINES. Special to The New York Times
DATELINE: WASHINGTON, Dec. 6

Q Mr. Gingrich, may I ask a question?

REP. GINGRICH: Sure.

Q (Off mike) -- the other one was a five-year-old -- (inaudible) -- who was thrown out of a building and his eight-year-old cousin tried to -- (inaudible) -- first appeal and wouldn't do it, and his mother and his aunt tried -- (inaudible) -- how are those two people going to be helped by your orphanages?

REP. GINGRICH: Let me make a point here, because this again is one of those examples where something I'm very prepared to defend suddenly becomes a symbol and then the White House distorts it into Dickens revisited as though their alternative was Norman Rockwell. I mean -- so let me just say, what I said originally and will defend pretty cheerfully for a long time is you have group homes, you have foster care, you have boarding schools, you have orphanages, that there are many alternatives to the current system, and that we should be prepared to delegate back to the states the opportunity to experiment with any organized system of caring for children that we think will save their lives and save their futures.

Now, the point I was making, partly frankly coached by Bill Bennett, who is on the board -- the fund-raising board for Boys' Town -- and Bennett just said that it's outrageous to watch the distortions. I mean, we're not talking about let's reach into a solid working family and rip a child out.

We're saying in a city like Washington, where there are babies abandoned in the dumpster, shouldn't there be an organized alternative, which could include adoption, it could include foster care, it could include orphanages. Then I had Wayne Gilchrest, who has worked for three years earlier in his career in an orphanage like that, but an orphanage for -- actually a boarding school for

children whose parents were alive but who were abusing them. And he said he'll be glad to testify about the impact of that. Then I had Jim Greenwood, who is a member from Philadelphia, who said he used to be a social worker placing those children. Then Marge Roukema and her husband, who is a psychotherapist, came up. They are preparing an op ed piece explaining that frankly some kind of youth hospice or youth hostile program would be dramatically better than a lot of what happens to the poorest and most abused children.

So I am very happy to engage the debate on the following premise --

Q But aren't you --

REP. GINGRICH: Let me just finish. Let me just finish, David. Let me finish. I'm very glad to engage the debate on the question, would those young boys have been better off in an environment where they wouldn't have been killed, would the 11-year-old have been better off with a system which didn't put him back on the street? And the fact is you can go into every major city in this country today and find scandalous examples of 12-, 13-, 14-, 15-year-old mothers who have no institutional alternative and who in desperation end up with their children in horrible circumstances.

So we're not saying what would you do in a nice middle class environment, or what would you do even with a working poor family that was a connected family. But we're saying are there alternatives? And the alternatives aren't just orphanages. I think that's been a grotesque distortion. But are there a series of alternatives, foster homes, boarding schools, easier adoption, youth hostiles, and orphanages which -- and is Boys Town a better environment than the poorest and meanest section of Washington, DC? And I think that's a debate, as Richard Cohen said, I'm glad to point out in the Post this morning in a very nice column, where he said, look, I mean here is a debate worth engaging.

-- Federal News Service, DECEMBER 6, 1994

Now, those are real changes. We want to frankly say to young girls, if you get pregnant, we'll help you with group homes, we'll help you with foster care, we'll help you with orphanages, we'll help you with adoption, but we are not going to give 12, 13, and 14-year olds money directly, and we're not going to give them apartments in public housing, because we have been creating an economic incentive program for young girls to get pregnant outside of marriage and for young men to have no responsibility, and after 30 years, it is in danger of destroying large parts of this country. Eighty percent of the children in some neighborhoods are born outside of marriage. Now, that is destructive of the child. It's destructive of the whole situation.

-- Federal News Service, MARCH 10, 1994

Rep. GINGRICH: We could pass both anti-crime legislation and dramatic welfare reform legislation to require people to work, to cut children off from government money in the sense of women who are 12, 13, 14 years old who are currently being paid to have more children.

If we don't have that kind of fundamental effort that goes in and says, 'Let's look at adoption, let's look at foster care, let's look at orphanages,' but let's really dramatically draw the line about 12- and 13- and 14- and 15-year-old mothers who I think become in the end, because of the breakdown of

the family, that becomes the next generation's crime. And so I think we've got to address that issue, both in terms of locking up criminals and reforming the welfare system on behalf of children, giving them a chance to grow up in a structured environment where they have a future and they have an education and they have a job and they don't turn to drugs and crime as their primary avocation at 13, 14, 15 years of age.

— This Week With David Brinkley (ABC), January 2, 1994

Gingrich views the issue differently.

"We're not talking about [reaching] into a solid working family and ripping a child out," he said. "We're saying in a city like Washington, where there are babies abandoned in the Dumpster, shouldn't there be an organized alternative, which could include adoption [or] orphanages."

— THE HARTFORD COURANT December 8, 1994 Thursday, STATEWIDE SECTION: MAIN; Pg. A1
HEADLINE: REFORMS OF WELFARE DEBATED; ORPHANAGES PLAN SHAPES DISCUSSION
BYLINE: JOHN A. MacDONALD; Courant Staff Writer DATELINE: WASHINGTON --

Response to Hillary Clinton's Criticism of Orphanage Proposal:

I'd ask her to go to Blockbuster and rent the Mickey Rooney movie about "Boys' Town." I mean, my answer to her in part is, you know, the little four-year-old who was thrown off the balcony in Chicago would have been a heck of a lot better off at Boys' Town, that the 11-year-old who was killed after he killed a 14-year-old might have had a chance to live in a supervised boarding school, that the children you see in DC killed every weekend might be better off in a group home or a foster home.

In the 19th century, it was generally -- normally voluntary, and it wasn't a true orphanage. I think a boarding school or a group home is a more accurate statement. James T. Wilson of UCLA sent me a note the other day that said, "What you're really describing here is the right to have a voluntary alternative for very, very young parents who believe that they can't raise their own child."

I don't understand liberals who live in enclaves and safety who say, "Oh, this would be a terrible thing. Look at the Norman Rockwell family that would break up." The fact is we are allowing a brutalization and a degradation of children in this country, a destructiveness. We say to a 13-year-old drug addict who is pregnant, you know, put your baby in a dumpster, that's okay, but we're not going to give you a boarding school, we're not going to give you a place for that child to grow up. There is no place.

--Meet the Press, 12/4/94

We're saying in a city like Washington, where there are babies abandoned in the dumpster, shouldn't there be an organized alternative, which could include adoption, it could include foster care, it could include orphanages.

[Cites Wayne Gilcrest, Jim Greenwood, and Marge Roukema as all supportive of the debate on orphanages.]

--REPS. NEWT GINGRICH (R-GA) ANNOUNCEMENT OF HOUSE REPUBLICAN LEADERSHIP
ELECTION RESULTS, TUESDAY, DECEMBER 6, 1994

Robert Rector, Senior Policy Analyst, Heritage Foundation

In language similar to that later used by Arney, Rector said the government should not abandon children born out of wedlock, but that AFDC and food stamps, currently given directly to unwed mothers under 21, should be converted to grants to states. Those grants could be used to promote "adoption and orphanages or supporting the mothers in tightly supervised group homes," Rector wrote.

-- THE HARTFORD COURANT December 8, 1994 Thursday, STATEWIDE
SECTION: MAIN; Pg. A1
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Rep. Susan Molinari (R-NY)

Incoming Speaker Newt Gingrich knows that it will take bold decisions and courageous ideas if we're ever going to get a [welfare] system that offers work, offers hope, and yes, perhaps through the creation of small orphanages and group homes, offers safety and security to abuse babies and lonely and isolated children.

--Susan Molinari, GOP Response to Radio Address, 12/10/94.

Charles Murray

"How does a poor young mother survive without government support?... We need to raise the probability that a young single woman who keeps her child is doing so volitionally and thoughtfully. Forcing her to find a way of supporting the child does this. It will lead many young women who shouldn't be mothers to place their babies for adoption.... Many others will get abortions...."

Some small proportion of infants and larger proportion of older children will not be adopted. For them, the government should spend lavishly on orphanages. I am not recommending Dickensian barracks. In 1993, we know a lot about how to provide a warm, nurturing environment for children, and getting rid of the welfare system frees up lots of money to do it. Those who find the word "orphanages" objectionable may think of them as 24-hour-a-day orphanages."

-- "The Coming White Underclass" by Charles Murray, Wall St. Journal