

Note to Chris
cc. Bruce / Kateri

March 9, 1994

WR - Minor Mothers



Income Maintenance Branch
Office of Management and Budget
Executive Office of the President
Washington, DC 20503

Please route to:

Keith Fontenot
Barbara Selfridge
Belle Sawhill

Handwritten initials and signatures over the routing list.

Decision needed
Please comment
For your information
Per your request
Take necessary action

With informational copies for:

BS, B, KF, RB, LC, SD, MR, CE

Subject: "Minor Moms" Saver for Welfare Reform

Phone: 202/395-4686
Fax: 202/395-3910
Room: #7026

From: Chris Ellertson

Handwritten signature of Chris Ellertson.

Attached, per your request is a description of how the minor moms proposal would work, an estimate of the caseload affected, and a brief discussion of some of the assumptions behind the proposal.

Require AFDC Mothers under 18 To Live With Their Parents

Savings from Baseline	Annual Savings (Millions of Dollars)					Cumulative Five-Year Savings
	1995	1996	1997	1998	1999	
Outlays	0	-45	-50	-50	-50	-195

This option would require AFDC parents that are minors ("minor moms") to live with their parent up through age 17, to be eligible for AFDC. The provision would become effective in FY1996. Currently, this is a State option provided under the 1988 Family Support Act. Six States use the option.

Reasons for the option

There will be an estimated 70,000 minor moms on AFDC in 1995. Restricting benefits for this group and their children unless they live with their parents until age 18 may remove incentives for teenagers to bear children at very early ages, as a way of establishing a separate household. "Good cause" exemptions would be permitted in cases where minors were abused or raped, or in other warranted circumstances.

Some have argued that the proposal might help to reduce long-term welfare dependency. About half of all mothers receiving AFDC at a point in time began child bearing as a teenager.

A teen's relatives may be able to provide at-home day care and teach parenting skills, reducing family support program costs and permitting the minor to attend school or work.

Reasons against the option

Restricting benefits for AFDC households headed by teen mothers could reduce income available for the children's basic needs.

If teen mothers are not permitted to receive AFDC, they cannot be required to participate in programs for AFDC caretakers (such as job training and education) that could make them more self-sufficient.

Collateral Effects

If teenage mothers were unwilling to return to parents' households, more children might be placed in Foster Care.

Pricing Assumptions

About 1/4 of minor moms are assumed to move back home, and half of these would become AFDC ineligible because of their parents' income levels. About 1/2 of all minor moms are assumed to receive a "good cause" exemption and the remaining 1/4, who maintained a separate household, would lose their benefit. In all, 37% of the minor mom population would lose their AFDC. Pricing assumes increased spending on Food Stamps due to the loss of AFDC benefits and a marginal decrease in

true?

Sounds like not an exception

Medicaid spending.

Proposed Before?

In 1987, the Reagan Administration transmitted legislation requiring minor mothers on AFDC to live with parents, unless good cause could be established.

The House Republican's 1993 welfare reform bill, H.R. 3500, proposes that, up through age 19, teenage mothers eligible for AFDC be required to live in the home. The Senate Republican bill would require all moms under age 18 to live with their parent(s) to receive AFDC.

Congressional Committtees affected:

L/HHS appropriations, Ways & Means,
Senate Finance.

File:
WR -
Minor mothers

MEMORANDUM

TO: Bruce

FROM: Jofi

RE: State welfare reform programs containing provisions to limit AFDC benefits for additional children and/or requiring teenage mothers to live at home.

DATE: May 17, 1994

MAINE

I interviewed Rose Masure, the AFDC Program Director. Maine implemented a program beginning in August 1991 requiring teenage mothers to remain in the household of their parents in order to continue receiving AFDC benefits. This policy applies to those individuals applying for the first time, and those reapplying for benefits. The state has conducted no official evaluation or study, simply because it does not possess the necessary records/data. Apparently, the state owns an outdated computer system, unable to store all data.

However, the teen parent population in Maine is quite small, less than 1000 in total. The state also grants a liberal "good cause" policy, under which minors meet certain criteria in order to remain independent (e.g. the parents don't want the child back, he/she has been living on their own for one year, etc.). Accordingly, the state grants a fair share of exemptions. In terms of costs, the program entails no additional administrative costs for the state; the welfare agency only needs to look at one more condition of eligibility in recipient applications. However, Ms. Masure did note the potential ramifications of adding to the financial burden of the minor's parents, when she returns to the parent's household with an additional child for which to take care.

MICHIGAN

I interviewed Stephanie Comei-Heison Page, a policy analyst in the Michigan Department of Social Services. With Governor John Engler leading the way, Michigan passed a comprehensive welfare reform package, including a provision requiring minor parents to live at home. Since the provision was implemented in October 1992, however, there has only been an incremental change in the number of minors living in parental households. Whereas in September 1992, the month before implementation, 1487 minors on AFDC lived outside their parents' household, 1406 minors were independent in April 1994. The state estimates that only roughly 5% of minor parents have return to their parents' household in

response to the new regulations. In almost all cases where independent minors received "good cause" to remain independent, the state determined that the parents' household did not provide a suitable environment for the minor to live in. In addition, in many cases, by the time independent minors have completed the process of certification (including all the appeals), they have become adults and no longer need state permission to live independently.

The minor parent pool in Michigan makes up a very small percentage of the overall AFDC recipient population; there are an overall 220,000 cases. In cases where the minor parent petitions for "good cause" to remain independent, a social worker will evaluate the situation (visit the home of the teenager, the home of the parents, etc.) and make a final determination. The minor can appeal this decision through the administrative process, and if necessary, through the courts. Ms. Page declared the administrative costs were pretty negligible; most minors live at home, anyway.

The state has signed a contract with ABT Associates to evaluate Michigan's overall welfare reform initiative. It is clear that the program has done little to move minors back into their parents' households; the vast majority already live at home, and many independent minors have valid reasons for living outside of the home. While the state considers the administrative costs meager (Ms. Page was unable to give a specific figure), it is certainly questionable if the costs of the program, which include social worker verification visits, are worth the supposed benefit of encouraging minor parents to move back into the home nest.

NEW JERSEY

I interviewed Marion Reitz, Director of the Division of Family Development, Department of Human Services. In August, 1993, New Jersey began enforcing a plan whereby additional AFDC cash benefits are denied to AFDC recipients who bear any additional children. Accordingly, whether a woman has one or five children when she qualifies for AFDC, she cannot obtain any additional benefits for additional children. While the child will receive Medicaid coverage and is eligible for food stamps, no additional money will be sent to the parent(s) on his/her behalf. However, the parents are allowed to earn extra money to help care for the additional child without losing existing benefits.

While the law officially went into effect in October 1992, its enforcement was delayed by nine months to provide for AFDC recipients already pregnant at the time of the passage of the law. Currently, as part of the plan's first phase, only the state's three largest counties are participating in the program; the rest of the state is to go on-line by 1995.

The state has encountered legal difficulties over the plan. It has been sued by seven individuals, including a mother who bore triplets, but was still ineligible for any additional aid. The current plan does not have the needed flexibility to deal

with such unusual situations; Ms. Reitz indicated that the state is looking at possible modifications. She also noted that the administrative costs of the program are negligible.

The state has not initiated any education or birth control programs to complement this "stick" approach. Hence, the program is a rather punitive approach; apart from the general publicity surrounding the law, the state does nothing to assist women in avoiding further pregnancies.

New Jersey has not yet completed a formal evaluation of this program. It has hired the University of Rutgers to act as an independent consultant; after the initial five-year phase of the program, Rutgers will commission an official evaluation. Until then, it will be difficult to obtain substantial data/statistics on the program. However, a preliminary report is scheduled to be released next year.

CALIFORNIA

Governor Pete Wilson, as part of his comprehensive welfare reform initiative, has proposed the Maximum Family Grant, whereby any children conceived by a mother on AFDC benefits would only be eligible for MediCal and food stamps; the family's overall grant would be reduced by the equivalent of the cash benefits for which the additional child would have rendered the family eligible. The program has not been passed by the state legislature yet; the above proposal has never been implemented in a demonstration project in the state.

GEORGIA

I interviewed Kathryn Jett, an AFDC/Food Stamp Policy Consultant with the Department of Human Resources. Georgia had requested and received a waiver from the federal government to begin a statewide program whereby mothers receiving AFDC benefits cannot receive additional AFDC cash benefits for additional children. The Georgia program went into effect on January 1994; the state sent out information to all welfare recipients and initiated a public relations program informing individuals on the new restrictions. Any mother who will have received AFDC benefits for 24 out of the past 36 months will not be permitted to receive AFDC benefits for additional children born. However, the child must have been conceived during a month in which the mother was on welfare; if the baby was conceived while the mother was "off the rolls", then she is eligible to go back on welfare and receive the additional benefits. Like the other similar state programs, only the additional AFDC cash benefits will be suspended; the additional child will still be eligible for Medicare and food stamps. It is important to note that Georgia is a traditionally low-benefit state.

Georgia does include a number of exceptions in its program. First, if the child is sent to another household (i.e. the grandparents), this new household will still be eligible for any additional AFDC benefits. Second, minors are granted the opportunity to have one additional child and still be eligible

for additional AFDC payments; only when minors have a second additional child will the restrictions apply. Third, the restrictions will have no bearing in the case of rape or incest. ✓

In contrast to New Jersey, the state of Georgia is taking proactive, preventive actions to help AFDC mothers avoid additional pregnancies. Beginning in January 1994, the state is setting aside funds for a more intensive program of family planning, information services, and counseling. These programs are being established now, two years before the punitive sanctions go into effect.

WISCONSIN

I interviewed Gene Cussart, the Executive Assistant to the Secretary of Health and Social Services. The Department of Health and Social Services is establishing a five-year welfare demonstration project, called the Parental and Family Responsibility Initiative. Under the plan, set to begin in four counties on June 1st, the state would cut AFDC benefits by 50% for the second child borne by teenage mothers on welfare and eliminate it altogether for the third. But the state would also lift the requirement that one member of a low-income married couple have a work history to get AFDC payments, and would allow recipients to keep more of their earnings from regular jobs. Accordingly, families would have more incentive to remain intact. Teenagers on welfare would also be required to attend sex-education and parenting classes to encourage them to stay in school and delay pregnancy. Wisconsin had attempted to start the program earlier, but difficulties in obtaining the necessary federal waivers created delays.

CONNECTICUT

I interviewed Audrey Rowe, Commissioner of the Department of Income Maintenance, regarding the state's minor parent provision, which went into effect two years ago. In order to maintain eligibility for AFDC benefits, a teenager must remain at home, or live in an alternative adult situation. Exceptions are provided for cases of neglect or abuse problems in the parental household. When a minor applies for an exception, a caseworker completes an evaluation (which usually doesn't include a home visit, unless necessary) and makes the final determination. Currently, no formal survey of the program has been completed, although the state does have a contract with the University of Connecticut School of Social Work to conduct an evaluation in the future. Ms. Rowe's office periodically conducts surveys of regional directors and administrators; the anecdotal evidence indicates that the program has proceeded well, with few problems.

The state does offer family mediation services to assist in disputes between minors and their parents. If you want more information, e.g. statistical data, you may want to contact Nancy Wiggett, a policy analyst in the commissioner's office, at (203) 566-4019. I have been unable to get in contact with her.

MEMORANDUM

WL
Minor mothers

TO: Bruce

FROM: Jofi

DATE: May 17, 1994

RE: Study on relationship between AFDC benefit payments and the propensity of teenage mothers to live independently.

In my report on Sen. Moynihan's views on welfare reform (your copy is attached), I referred to a citation in his 1986 book, Family and Nation, of a study concluding that AFDC payments encourage the creation of new households; teenage parents are much more likely to live independently in high-benefit states than low-benefit states. You requested more information on this particular study.

Interestingly enough, the two authors of the study are David Ellwood and Mary Jo Bane. In "The Impact of AFDC on Family Structure and Living Arrangements" (attached), Ellwood and Bane, both then at Harvard University, analyzed the changes in family structure over the past two decades and what, if any, impact AFDC benefits had upon these changes. In the enclosed study, the authors indicate that for every \$100 increase in the monthly benefits for a family of four, the likelihood that a non-white single mother aged 20 would live independently might increase from 22% to 43%. Overall, the study estimates that a \$100 benefit increase would cause the fraction of single mothers who live in sub-families to decline by 25-30% (P.3). Even without controlling for unmeasured state differences, the researchers discovered a strong association between AFDC benefit levels and living arrangements (P.62)

The authors utilize state-by-state comparisons in yielding their conclusions. However, they needed to account for largely unmeasurable attitudes, values, and expectations likely to influence family structures and welfare benefit levels, which certainly differ from state to state. For example, in Minnesota, welfare benefits are high but the rate of unmarried births is low; in contrast, Mississippi offers low benefits, but its number of single mothers is proportionally much greater. These differences are attributable to different social conditions, not the disparity in welfare benefits.

Consequently, the authors rely on three control methodologies which help reveal the likely behavior in a particular state in the absence of a welfare benefit program:

- (1) Over Time Comparisons: Comparisons of changes in state

aggregate family structure over time with changes in benefits over time.

- (2) Eligibles vs. Non-eligibles Comparisons: Comparisons of the behavior of groups of women who are categorically eligible for AFDC with the behavior of groups who are not categorically eligible.
- (3) Likely vs. Unlikely Recipient Comparisons: Comparisons of the behavior of individual women who are likely to collect AFDC with the behavior of women who are unlikely to collect benefits.

I am enclosing the actual study for your perusal.

harder yet to modify. In this sense *Losing Ground* is not at all a break with the past. It merely continues the practice in Washington of making large assertions with no foundations. HEW Secretary Joseph Califano knew that welfare "breaks up families"; so does Dr. Murray. I don't. I wish we knew more; I fear we don't.

In response to various criticisms, including some of the above, Murray in the Fall 1985 issue of the *Political Science Quarterly* wrote that he had examined the experience of the last thirty years of social policy and had found "a variety of phenomena that demand explanation." He had put forth explanations consistent with what is known (i.e., hypotheses). "But to prove that I was right or wrong, or partly-right, or to demonstrate what the alternative 'truth' is, social science will have to explore questions that it has neglected." Agreed. Peace.

Still, there is no need to forget what we *did* know. In 1985 Murray told a symposium called "Lessons from the Great Society" that the "turns for the worse" which his book describes "were more pronounced than we had any reason to expect they should be." There was "no basis historically," he continued, "to predict the kinds of dramatic changes for the worse that did, in fact, occur." This is simply not so. Murray's work is concerned primarily with the growth of an urban minority underclass. *But that is precisely what I did predict in 1965, using data series that ended in 1964, before any of the events that he asserts have brought about these "turns for the worse."* It could well be that the predictions made in 1965 were not warranted, that I saw trends which did not as yet exist and only subse-

Common Ground?

quently came about. Very well, but prove *that*. A personal, subjective judgment is that these realities, present or in prospect, throw people off. Thus the article denouncing the study that appeared in the *Nation* in 1965 stated that I had made "stupefying" assertions about minority crime rates. The rates were true; it was the *Nation's* reviewer, William Ryan, who was stupefied. In a paper presented to a 1982 colloquium sponsored by the School of Welfare of the University of California at Berkeley and by the Bay Area Black United Fund, Jewelle Taylor Gibbs reported that in 1980 "black youth committed 51% of the violent juvenile crime in the U.S." and that the previous year "15% of all black adolescents in the 15-19 age group were arrested. . . ." These are grim numbers and can be disorienting.

If the response of those such as Ryan in 1965 to the data was essentially nonrational, I believe it can be shown that in Murray's case the response is nonlinear. Once again, it comes to this: *Losing Ground* attributes developments that trouble the author to government actions that mostly began *after* these developments had commenced as clearly recognizable statistical trends. It may be argued that these government actions intensified these developments, but the data are not at all conclusive.

There are things we *have* learned. In "Family Structure and Living Arrangements Research: Summary of Findings" (March 1984), Mary Jo Bane and David Ellwood present an exhaustive series of cross correlations examining various family patterns and the impact of the AFDC program. The existing welfare program provides in this regard

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a kind of natural experiment. Each of the fifty states has a somewhat different program, as do Puerto Rico, and Guam. Benefits vary enormously. At middecade a family of four can now collect \$120 a month in Mississippi, in other states \$600 or more. And the effects? With one large exception, they could find no effects:

Differences in welfare benefit levels do not appear to be the primary cause of variation in family structure across states, or over time. Largely unmeasurable differences in culture, attitudes or expectations seem to account for most of the differences in birth rates to unmarried women and in divorce and separation patterns among families with children.

In Minnesota, benefits are high; divorce rates and unmarried births are low. It is the other way around in Mississippi. And so their analyses go, taking us back rather in the direction of William Graham Sumner's on the power of folkways over stateways.

The one "dramatic impact" they determine is that of benefit levels on living arrangements. In low-benefit states, a young mother not living with a husband is very likely to live in the home of a parent. In high-benefit states, such women are more likely to live independently. They suggest that between 1960 and 1982 about one-third of the increase in female-headed households resulted from an increase in the number of single mothers who live independently. Thus some statistical trends may appear more troubling than is the case.

Ellwood and Bane find an increase in the proportion of black women between age eighteen and forty-four who have never married: from 27 percent in 1970 to 44 percent in 1982. White proportions increase also. They note: "The percentage employed of young black men has been deteriorating rapidly in the past decade, at the same time that marriage rates have been falling." They suggest it is "quite plausible" that the one influences the other. But: "As an explanation for the dramatic changes in family structure, welfare benefits are largely impotent."

The Panel Study of Income Dynamics, a sample of five thousand American families conducted by the Survey Research Center at the University of Michigan, has produced important findings. As analyzed by Greg J. Duncan and his associates (1984), in the decade 1969-78 a quarter (24.4 percent) of American families were poor for one or more years, but only 2.6 percent were "persistently poor," which is to say for eight or more years. As to the "near poor," if the official poverty line were raised by a quarter, a third (32.5 percent) of American families would have been poor sometime during this ten-year period. As to welfare, Duncan concludes "the system does not foster dependency." Half the families in the sample who received welfare did so for no more than two of the ten years. He characterizes welfare as "a kind of insurance . . . providing temporary assistance." And to take us back to the beginnings of the poverty program, he opens his chapter "The Dynamics of Poverty" with that passage from Matthew 26:11, "You have the poor among you always." All that has changed from the hearing room in the House of Representatives twenty

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 555 13th St-1 NW
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years earlier is the Bible translation; Duncan used the New English Bible, while Congressman William H. Ayres had quoted the King James Version.

It may be that the Michigan group understates the doggedness of dependency. Ellwood and Bane find that most women who go on AFDC do so for short spells, but the bulk of AFDC expenditures "are accounted for by women who have spells of eight years or more." A third of women who end one spell of AFDC "return for another spell." Most importantly, "three-fourths of all spells of AFDC began with a relationship change whereby a female-headed family with children was created." Only a fraction, 12 percent, could be traced to earnings decreases. Again to the thesis of 1965, the previous relationship between dependency and income and employment just isn't quite there any longer.

One of the persistent difficulties in assessing the impact of the Great Society period is that for all the sound and fury—not all that much happened. In the study by James T. Patterson cited previously, it is estimated that in its period of greatest independence and activity, the late 1960s, total expenditures by the Office of Economic Opportunity came to about \$50 to \$70 per poor person in the United States. The big increases in social spending of that time were associated with the maturing of the Social Security system and one major addition to that system. This latter was the establishment of health-care insurance for the elderly and the dependent, known respectively as Medicare and Medicaid. These large innovations in social policy took place quite independently of the hullabaloo at OEO. They

were in the main the work of a small group of public servants—Wilbur J. Cohen, Robert M. Ball, and others—who had been involved with the establishment of Social Security in 1935 and were still at it three decades later. Health insurance had been on their agenda for years. In the months following the assassination of John F. Kennedy they saw their opportunity, and they took it. The legislation—Titles XVIII and XIX of the Social Security Act—was adopted with little exertion and less analysis. This is to say that the cost estimates were absurdly low, done more or less on the back of an envelope. The genius of the sponsors of Medicare and Medicaid was that having quietly waited thirty years for their "moment" to come again, they seized it.

The report to President Roosevelt of the Committee on Economic Security was transmitted by Secretary of Labor Frances Perkins and her cabinet associates (plus Harry L. Hopkins) on January 15, 1935. (Would the President's Task Force on Manpower Conservation had had as specific a proposal!) On January 17 the bill was introduced in the Senate by Robert F. Wagner of New York. It was signed by the President seven months later on August 14. The New Deal soon came to an end, and no equivalent moment of legislative opportunity reappeared until 1965, when about the same sequence was followed with health insurance. As with earlier provisions of Social Security, the health-care entitlements soon dwarfed any mere antipoverty program getting along from year to year on the annual appropriations.

With respect to welfare dependency, Medicaid posed a



5/11/94

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Attached are the document(s) that you requested from the Policy Information Center.

The document you requested is not available from the Policy Information Center. (We have requested this item from another source and will forward it to you later.)

The document is available from:

National Technical Information Services
U.S. Department of Commerce
5285 Port Royal Road
Springfield, VA 22161
(703) 487-4650

NTIS Accession number is: _____

If we can help you in the future, please do not hesitate to write or call us at:

Dept. of Health & Human Services
200 Independence Ave., SW
Room 438F - HHH Building
Washington, DC 20201
(202) 690-6445.

Cynthia Davis

Policy Information Center
Office of the Assistant Secretary
for Planning & Evaluation

EXECUTIVE ACTION ON WELFARE REFORM **DO NOT**

Today, President Clinton announced measures to make responsibility the law of the land, by strengthening requirements that teen parents on welfare stay in school and live at home in order to receive assistance. With these actions, we're focusing on one of the key components of welfare reform: parental responsibility. We're also putting young mothers on the right path, toward employment and self-sufficiency, by requiring those in the JOBS program to sign personal responsibility contracts.

A DOWNPAYMENT ON OUR PARTNERSHIP IN WELFARE REFORM

3 actions:
x school
x pp vs x ny

Under welfare reform waivers, we've freed 37 states from red tape to pursue innovative welfare reforms -- more than under any previous administration. State welfare demonstrations approved by the Clinton Administration now cover 75 percent of all welfare recipients nationwide, and we've already allowed 22 states to require teen parents to stay in school, and encouraged 21 to require them to live at home in order to receive assistance.

REQUIRING TEEN PARENTS TO STAY IN SCHOOL

Today, we are announcing additional steps to encourage states to require teen mothers on welfare to stay in school. Currently, 25 states are linking benefits to school attendance and/or performance, 22 under waivers approved by the Clinton Administration. Ohio, for example, has a model program called LEAP: Learning, Earning, and Parenting. LEAP reduces checks of teen mothers when they don't go to school, and pays them a bonus when they do. A report released on May 1, 1996 by the Manpower Development Research Corporation shows that LEAP has significantly increased the number of parents completing school and going to work. LEAP increased school completion among high-school enrolled teens by almost 20 percent and increased employment by over 40 percent. LEAP also significantly increased school enrollment among teens who had dropped out.

Other states are trying similar approaches. For example, Delaware gradually reduces benefits for truancy, and pays teens a \$50 bonus when they graduate from high school. Colorado pays bonuses for good school attendance, graduation, and/or GED completion.

These states are putting teens on the right path, toward employment and self-sufficiency -- and all 50 states around the country should follow their lead. That's why the President is directing all states to submit plans for increasing school attendance among teens who receive welfare.

REQUIRING TEEN PARENTS TO LIVE AT HOME

Under current law, states have the ^{challenging} option to require teens to live at home -- but only 21 states have such requirements, 11 initiated under the Clinton Administration and 10 adopted independently. Today, the Clinton Administration is urging all 50 States to put teen mothers on the right track by requiring minor mothers to live at home or with a responsible adult in order to receive assistance.

ENDING WELFARE AS WE KNOW IT

The President's goals for welfare reform are clear: requiring work, promoting responsibility, and protecting children. With this new initiative, President Clinton underscores his commitment to helping welfare recipients become -- and stay -- self-sufficient. President Clinton continues to call for a national welfare reform bill. But, if Congress fails to send the President a bill that gets the priorities right, the Clinton Administration will continue to reform welfare -- one state at a time.

Talking Points for Radio Address
President Clinton's Executive Action on Teen Parents

Over the past three years, our Administration has made real progress in reforming the welfare system, even as Congressional action has stalled. Welfare rolls are down. Food Stamp rolls are down. Teen birth rates are down. Work participation rates are up. Child support collections are up. And our Administration has freed 37 states from red tape so that they can transform their own welfare systems to demand work, require responsibility, and protect children.

As you know, earlier this year I vetoed a welfare reform bill drafted by the Congressional majority because it would do too little to move people from welfare to work and too much that could hurt poor children. While I am committed to enacting national welfare reform legislation, I will not sign a bill that gets the priorities wrong. The nation's 50 governors, by recommending specific revisions of the bill I vetoed, have shown that they agree with my action.

In 1994 and again this year, I have presented a sweeping welfare reform bill that would promote work, encourage parental responsibility, and protect children. My plan would impose tough time limits and work requirements, provide more funding for child care, require teen parents to live at home and stay in school, and crack down on child support enforcement -- while saving \$40 billion over seven years.

We've uncovered a lot of common ground on welfare reform, and if Congress sends me a bill that is tough on work, rather than tough on children, I will sign it. In the meantime, we can build on what states are already doing to promote work and protect children -- particularly when it comes to teen parents. That's why, today, I am encouraging all states to send the strongest possible message that staying in school and living at home are the right things to do.

Currently, 25 states require teen parents to stay in school to receive assistance, 23 through welfare waivers granted by my Administration. Ohio, for example, runs a model program called LEAP: Learning, Earning, and Parenting. LEAP reduces the checks of teen mothers when they don't go to school, and it pays them a bonus when they do. A report released this week shows that the program has significantly increased the number of teen parents who completed school, went to work, and left welfare. Ohio's program is working -- and states around the country should follow its lead. That's why today, I am directing the Department of Health and Human Services to require all states to submit plans for increasing school attendance among teens participating in their JOBS programs. I am also directing all 50 states to be sure that these teen mothers are required to plan for their futures by signing personal responsibility contracts.

Under current law, states already have the option to require teen parents to live at home or with a responsible adult in order to receive assistance -- but only twenty-one states have such requirements. Today, I am urging all 50 states to send the message that having a baby should not bring a teen the right and the money to set up a new household and lengthen, rather than shorten, the period of dependence on welfare.

These elements are part of my bill + super bill in both houses

The actions I'm taking today will help make teens who already are parents become good role models and providers for their children. But we all agree that the main goal is stopping teen pregnancies from occurring in the first place. Our Administration is tackling this problem head-on. For example, my 1997 budget includes \$30 million for a new Teen Pregnancy Prevention Initiative, to give help to areas with high teen pregnancy rates. This new initiative will build on our existing grant programs which are helping communities choose -- and use -- the teen pregnancy prevention strategies that best suit their local needs. And it will complement the work of the National Campaign to Reduce Teen Pregnancy, which I announced in January.

I urge Congress to examine my welfare reform proposals, the plan drafted by the National Governors' Association, and the reforms already underway in the states. As I have said repeatedly, if Congress sends me a national reform bill that rewards work, demands personal responsibility and puts young mothers on a path to self-sufficiency, I will sign it. But until they do, I will continue to reform welfare one state at a time.

Children who have children shouldn't get \$ from the
govt for leaving home + dropping out of school.
to TL's care

Break the cycle
of a birth
Make them ^{take respons.} for their kids and

Questions and Answers on Executive Action -- Teen Parent Requirements

Question:

What is the Administration announcing today?

Answer:

We are announcing new steps to encourage states to require teen parents on welfare to stay in school and live at home. We are putting more teeth into current JOBS requirements that teen parents stay in school, by requiring states to submit plans for how they will require minor parents to stay in school and prepare for employment.

While states currently have the option to require teen parents to live at home or with a responsible adult in order to receive assistance -- only **twenty-one** states have such requirements. Today, the President is urging every state to take advantage of this option, so that living at home becomes a nationwide requirement.

And we're requiring states to have **all teen parents in JOBS** (?) sign personal responsibility contracts, so that they are planning for a future of work and self-sufficiency.

Question:

Don't states need waivers to do any of this?

Answer:

The Family Support Act of 1988 required teen JOBS participants to stay in school as a condition of assistance. States do not need waivers to strengthen their implementation of this provision - - this is what we're requiring by our actions today. However, states do need waivers to change sanctions, to use incentives, or to make school attendance a condition of assistance for teen parents beyond those participating in JOBS. **Twenty-three** states have received waivers from the Clinton Administration to implement such reforms. Ohio's LEAP program, for example, is a successful program that's increasing school attendance and employment among teen parents. Our fast-track waiver process will make waivers like these easier to get.

The Family Support Act also gave states the option to require minor mothers to live at home or in a supervised setting to receive benefits. Although states do not need a waiver to implement these requirements, only **11** states have received waivers to do this, while **10** other states have simply amended their state plans. We hope our use of the "bully pulpit" will encourage all 50 states to adopt this approach.

Question:

What real effect will the President's actions have?

Answer:

Today's action will have important results, because slightly more than half (-- percent of all AFDC recipients (some -- million people with -- million children -- ACF?) had their first child when they were 19 or younger. We know that while 80 percent of children born to unmarried teenage high school dropouts are poor, only eight percent of children born to married, older high-school graduates are poor. (Annie E. Casey Foundation.) By following the steps laid out by the President to require teen parents to finish school, live at home, and prepare for work, states will help ensure that teen parents become good role models and providers for their children.

Requiring teen mothers to finish high school also reduces the odds that young mothers will return to welfare after they leave the rolls. According to one recent study, AFDC recipients without a high school diploma are twice as likely to stay on welfare for 10 years or more. (Bane and Ellwood, Welfare Realities, p. 49). In addition, research by LaDonna Pavetti, now at the Urban Institute, shows that even controlling for basic skills, women with a high school diploma return to the welfare system at a rate that is 26 percent lower than women who have not completed high school.

Question:

How many people will be affected?

Answer:

It's hard to estimate. According to HHS, in 1994, there were 65,000 teen moms under age 19 receiving AFDC. Unless these teens are married, or have already graduated from high school, these conditions would apply to them. Today's action will have important results, because slightly more than half of all AFDC recipients (some -- million people with -- million children -- ACF?) had their first child when they were 19 or younger. We know that while 80 percent of children born to unmarried teenage high school dropouts are poor, only eight percent of children born to married, older high-school graduates are poor. (Annie E. Casey Foundation.)

Question:

But if there are about 14 million people on AFDC, and just 65,000 would be affected, isn't this a virtually meaningless action?

Answer:

Absolutely not. The President's actions today are directed to the group of welfare recipients we

need to target first: teen parents. We need to ensure that teen parents become good role models and providers for their children, and that means they must finish school, live at home, and prepare to work. The sooner states put these requirements in place, the sooner the children of teen parents will be able to grow up in independent, working families. The MDRC study released this week confirmed that Ohio's LEAP program has produced amazing results for teen parents within the three years surveyed. It increased school completion among high-school enrolled teens by almost 20 percent and increased employment by over 40 percent. It also reduced welfare receipt among these participants.

Today's action will have important results, because 40 percent of all AFDC recipients (some -- million people with -- million children -- ACF?) had their first child when they were 18 or younger. We know that while 80 percent of children born to unmarried teenage high school dropouts are poor, only eight percent of children born to married, older high-school graduates are poor. (Annie E. Casey Foundation.)

Question:

The President said he's encouraging states to model their school attendance incentives and sanctions on Ohio's LEAP program. Don't these programs cost money?

Answer:

The Manpower Development Research Corporation's 1994 study of the relatively service-intensive Cleveland LEAP program estimated that LEAP cost less than \$1,000 per teen -- for the entire period of program eligibility, which averaged less than two years. That study concluded that LEAP was a "viable, low-cost policy approach that significantly improves school completion."

The MDRC study released this week confirmed that Ohio's LEAP program has produced amazing results within the three years surveyed. It increased school completion among high-school enrolled teens by almost 20 percent and increased employment by over 40 percent. It also reduced welfare receipt among these participants.

Follow-up Question:

Where will states get the funds to implement these school attendance programs?

Answer:

The funding would be provided under the JOBS program, created by the 1988 Family Support Act. JOBS gives Federal matching funds to states to provide education and training for welfare recipients. While the state match rate varies (it ranges between 20 and 40 percent), all states would have access to Federal matching funds to implement these teen parent requirements.

Question:

The MDRC study also concluded that, in order for programs like LEAP to truly succeed, the public school system in this country will need to be reformed. Doesn't something need to change in the schools before you make school attendance a condition of assistance nationwide?

Answer:

One of the Administration's primary goals is to revitalize our nation's school systems. The President has already taken action -- through initiatives such as Goals 2000, Safe and Drug Free Schools, and the School-to-Work program. But there's still much more to do. As the President said last month to the National Governors' Association, we all need to join hands to improve schools in this country so that every child gets the education they need to be productive adults.

Question:

Studies have shown that a large percentage of minor mothers have been abused by their caregivers -- is it wise to require teens to live in abusive homes?

Answer:

This teen parent residency requirement would specifically protect minors from unsafe homes. States would require minor parents to live either at home or in an alternative supervised living arrangement, if the home were unsafe.

STATES REQUIRING TEEN MOTHERS TO LIVE WITH A PARENT, GUARDIAN, OR IN AN ADULT SUPERVISED SETTING

Under the Family Support Act of 1988, states have the option to require minor mothers to live with a parent, guardian or in a supervised setting to receive benefits. States need only to amend their state plans to implement this provision, no waiver is required. Nevertheless, some states have used the waiver process for the requirement.

States with minor parent provision under waivers granted by the Clinton Administration (11 states)

Arizona
Connecticut
Delaware
Iowa
Maryland
Massachusetts
Missouri
North Carolina
Oregon
Vermont
Virginia

States with optional minor parent provision under amended state plans* (10 states)

Georgia
Indiana
Maine
Michigan
Mississippi
New Hampshire
New York
Oklahoma
Tennessee
Wisconsin

* The following territories also have optional minor parent provision under amended state plan: Guam, Puerto Rico, Virgin Islands

STATES WITH SCHOOL ATTENDANCE/PERFORMANCE REQUIREMENTS

The following states link benefits to either school attendance or performance or both.

Waiver approved under Clinton Administration (22 states)

Arizona
Arkansas
California
Colorado
Delaware
Florida
Illinois
Indiana
Louisiana
Massachusetts
Mississippi
Montana
Nebraska
New York
North Carolina
Ohio
Oklahoma
Pennsylvania
South Carolina
Vermont
Virginia
Wyoming

Waiver approved under previous administrations (3 states)

Maryland
Missouri
Wisconsin

EXECUTIVE OFFICE OF THE PRESIDENT

29-Apr-1996 10:31am

TO: reed_b

FROM: Mary Jo Bane

SUBJECT: Executive action on minor moms

- 26 states in-school, 21 at-home
- who to invite

- 1) Call Marilyn Jeger/Michelle
- ~~2) ...~~
- 3) Directive etc.
- 4) Michigan

A few more people may have comments on this; I'll send over after I hear from them.

April 29, 1996

→ DNE: learnfare and fr.
D'Amato and fr.

Map
Talking Pts.
WAIVERS!

To: Bruce Reed

From: Mary Jo Bane

Re: Executive action on minor moms

- what is learnfare
- Marilyn Jeger, audience - school groups
- Mahija waiver Maryland waiver

Executive action re minor moms could have the following components:

o A presidential statement or radio address on the need to take action with regard to minor moms on welfare and a directive to HHS to communicate with states on what they should do. The statement could perhaps refer to the new MDRC evaluation of LEAP and to the numbers of states that have chosen to require minor mothers to live at home and have received waivers for Learnfare demonstrations, and also to the fact that preliminary reviews by HHS indicate that not all states are making sure that teens are in fact in school. It could also note that both the Administration's proposed legislation and the conference bill include live-at-home-and-stay-in-school requirements.

o A letter from the Secretary to Governors that urges them to choose the live-at-home option and reminds them about how payment works under that option (i.e., the grant goes as a protective payment to the parent). The letter informs them that HHS will be issuing a policy interpretation that under current law all teens (with a few narrow exceptions; having a young child is not grounds for an exception) are required to be JOBS participants, have personal responsibility/ employability plans in place, and have education as their JOBS activity. The letter can also announce that HHS will be initiating reviews of state programs around this requirement and will be providing technical assistance to help states run effective programs. Either the letter or the follow-up action transmittals could remind states that they can draw down AFDC administrative funds to do the tracking and case management that seem to be important for effective programs.

o Action transmittals from ACF that do the above. - directive from the agency

If this seems like the right approach, we can work with you and HHS Public Affairs on the language for the radio address, and draft a letter to governors that would go out early in the week following the radio address. The basic AT could go out shortly after that; the technical assistance package and the initiation of monitoring would take a bit longer.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

FAX

Date:

4/29

Number of pages including cover sheet:

2

To:

Diana Fortuna
Bruce Reed

Phone:

6-7028, 6-5557

Fax phone:

CC:

From:

Mike King

Phone:

(202) 401-5631

Fax phone:

(202) 690-5672

REMARKS:

Urgent

For your review

Reply ASAP

Please comment

STATE	INITIATIVE	KEY DATES	COMMENTS
South Carolina FAMILY INDEPENDENCE PROGRAM	<p>Statewide, would, with exceptions, time limit AFDC benefits to families with able bodied adults to 24 months out of 120 months, not to exceed 60 months in a lifetime; eliminate increase in AFDC benefit resulting from birth of children 10 or more months after the family begins AFDC receipt, but provide benefits to such children in the form of vouchers for goods and services permitting child's mother to participate in education, training, and employment-related activities; eliminate deprivation requirements, principal earner provisions, work history requirements, and 100-hour rule for AFDC-UP; increase AFDC resource limit to \$2,500 and disregard as resources one vehicle with a market value up to \$10,000, the balance in an Individual Development Account (IDA) up to \$10,000, and the cash value of life insurance; disregard from income up to \$10,000 in lump sum payments deposited in an IDA within 30 days of receipt, earned income of children attending school, and interest and dividend income up to \$400; require participation in a family skills training program; require certain AFDC recipients to submit to random drug tests and/or participate in alcohol or drug treatment; require children to attend school; increase amount of child support passed through to AFDC recipients; require more extensive information for child support enforcement purposes; modify JOBS exemptions and good cause criteria, and increase sanctions for non-compliance; make job search a condition of eligibility; allow non-custodial parents of AFDC children to participate in JOBS; pay transitional grant equaling 3 percent of the maximum family grant following employment; and provide transitional grant Medicaid and child care for 12 months from the date of employment for cases previously closed due to time limit.</p>	Received 6/12/95	<p>Analysis paper sent to Federal reviewers 7/26 and to State 8/1/95. 8/11/95 response and meeting with State official left a number of issues unresolved. Continued negotiation with State. 8/29/95 State responded again to issue paper. Working to resolve several remaining issues. Conference call with state 9/14/95. Drafting terms and conditions. Sent State draft language re time limits 9/22/95; state responded 9/28; continuing to negotiate with State. Draft terms and conditions sent to Federal reviewers 11/8 and to State 12/1/95. State responded 1/16/96; unresolved issues remain and discussions continue. Revised draft terms and conditions sent to State 2/12/96. Conference call held with State officials 2/29/96 concerning remaining issues. Revised draft terms and conditions sent to State 4/10 and 4/22/96.</p>

APR-25-1996 11:08

J. HUNTEN

P. 02/02
4/12/96

Make copies of study

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DEMONSTRATION
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CORPORATION

MDRC

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Impact
~~employment~~ 35 vs 28% (39 vs 27% for those in school)
left welfare 17 vs 12%
graduation 46 vs 39% (42% for those in school)
9% increase in college attend in Cleveland

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William Julius Wilson
William S. Woodside
Judith M. Gueron, *President*

April 18, 1996

Mr. Bruce Reed
Deputy Assistant for Domestic Policy
The White House
Old Executive Office Building, Rm. 216
17th Street & Penn. Ave., N.W.
Washington, DC 20500

Dear Bruce:

Today, more than 20 states require teen parents on welfare to attend school -- an approach heavily influenced by Ohio's statewide Learning, Earning, and Parenting (LEAP) Program. LEAP is a statewide welfare initiative that uses financial incentives (monthly increases or reductions in AFDC grants, tied to school attendance) and some case management and support services to keep teen mothers on AFDC in school, with the ultimate goal of increasing their self-sufficiency.

On May 1, MDRC will be releasing new findings from its multi-year evaluation of LEAP's effectiveness. These interim findings (based on a portion of the research sample in seven counties) show that LEAP's incentives clearly mattered: More young people completed school, went to work, and/or left welfare. The effects were concentrated on teens who had not already dropped out of school: LEAP increased their school completion (primarily in the form of high school equivalency receipt) by almost 20 percent (compared to a control group) and increased their employment by over 40 percent. The results also point to the continuing challenge of improving the life prospects of young people who have already dropped out of school. Many of these teens were repeatedly penalized by LEAP for non-attendance in school, with a loss of income for their children and themselves.

I thought you would want to see an advance copy of the report's Executive Summary. **Please note that the report is confidential and embargoed until May 1.** If you have any questions or would like further information, please get in touch with me.

Sincerely,

Judith M. Gueron
President

JMG/lj
Enclosure

Judy Gueron's home #
212-724-6249

EMBARGOED UNTIL MAY 1, 1996
Stories may appear or be broadcast on that day.

The contents of this Executive Summary are for discussion only and are not for quotation, publication, or distribution until May 1, 1996.

EXECUTIVE SUMMARY



LEAP

Three-Year Impacts of Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents

**Ohio's Learning, Earning,
and Parenting Program**

**David Long
Judith M. Gueron
Robert G. Wood
Rebecca Fisher
Veronica Fellerath**

1996

**Manpower Demonstration
Research Corporation**

MDRC

The Manpower Demonstration Research Corporation's evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program is funded in part by a contract with the Ohio Department of Human Services and in part by the Ford Foundation, the Cleveland Foundation, BP America, the Treu-Mart Fund, the George Gund Foundation, the Procter & Gamble Fund, and the U.S. Department of Health and Human Services. This is the fourth report in the evaluation.

Dissemination of MDRC publications is also supported by MDRC's Public Policy Outreach funders: the Ford Foundation, the Ambrose Monell Foundation, the Alcoa Foundation, and the James Irvine Foundation.

The findings and conclusions presented in this report do not necessarily represent the official positions or policies of the funders.

Library of Congress Cataloging-in-Publication Data

LEAP : three-year impacts of Ohio's welfare initiative to improve school attendance among teenage parents : Ohio's Learning, Earning, and Parenting Program : executive summary / David Long ... [et al.].

p. cm.

Includes bibliographical references (p.).

1. Learning, Earning, and Parenting Program (Ohio). 2. High school dropouts -- Services for -- Ohio. 3. Teenage mothers -- Ohio. 4. Teenage parents -- Ohio. 5. School attendance -- Ohio. 6. School enrollment -- Ohio. 7. Welfare recipients -- Ohio. I. Long, David (David L.). II. Learning, Earning, and Parenting Program (Ohio). III. Manpower Demonstration Research Corporation.

LC146.7.03L457 1996

373.967 -- dc20

96-4056

CIP

ACKNOWLEDGMENTS

This report could not have been completed without the efforts of many people. We would like to thank the staff from the County Departments of Human Services in the counties studied for this report, who have provided support throughout the project. We particularly appreciate the help of the LEAP Coordinators in these counties: Len Tetlak (Cuyahoga County), Karen Pfahl (Franklin County), Phyllis Brown (Hamilton County), Ron Diamond (Lawrence County), Sue Ehrmin (Lucas County), Larry Leach (Muskingum County), and Cheryl McAllister (Stark County).

We also thank staff from the five school districts covered in this report: Bernard Barbadora and Donald Dibowski (Cincinnati Public Schools); Judith Crocker, Ivan Kozman, and Debbie Gilbert (Cleveland Public Schools); Lou Mazzoli, Linda Nolan, Fritz McKay, and Yolanda Freeze (Columbus Public Schools); Jalna MacLaren, Kent Babb, and Jamesetta Mickens (Toledo Public Schools); and Hayward Sims (East Cleveland Public Schools). David Fischer, Richard Armanini, and Jack Gleason at the Ohio Department of Education provided assistance with GED testing data.

In the Ohio Department of Human Services, Joel Rabb and Jackie Martin have provided valuable assistance on many aspects of the project, as well as comments and suggestions on an earlier draft of the report. Mary Harris, the former Deputy Director of Family Support and JOBS, and Loretta Adams, the current Deputy Director of Family Assistance and Child Support, have overseen the project, and Jane Frye has been helpful on many occasions.

At MDRC, numerous staff were important to the report. Robert Granger gave his guidance on the analysis and provided many helpful suggestions on earlier report drafts. Hans Bos and Daniel Friedlander offered suggestions on the impact analysis, and Robert Ivry, who was important to the development of this project, reviewed earlier report drafts. Janet Quint contributed material to the report's first chapter. Stacey Fox, Kim Kovath, and Karen Trister provided research assistance. Anita Kraus processed school records data. Judith Greissman edited the report, assisted by Betsy Dossett, and Patt Pontevolpe and Stephanie Cowell did the word processing.

We are also grateful to Fred Licari and staff at Temple University's Institute for Social Research, which conducted and compiled the survey interviews on which much of this report is based. The Institute's work was managed by Adria Gallup-Black at MDRC.

Finally, we thank members of MDRC's advisory Committee on Education and Adolescent Parent Studies, which is chaired by Gilbert Steiner and also includes Jacqueline Eccles, Frank Furstenberg, Jr., Lorraine Klerman, Richard Murnane, Judith Musick, Robert Peterkin, Robert Slavin, and William Julius Wilson. Members of the Committee provided very helpful suggestions on the analysis and an extremely valuable review of an early draft of the report.

The Authors

PREFACE

This report provides timely new information on the success of an important approach to addressing two critical domestic policy concerns: the long period that teen mothers on welfare often spend on public assistance and the high rate at which poor teenagers drop out of school. In 1989, the state of Ohio sought to address both issues, and to do so on a large scale. Targeting all of the state's teen mothers on welfare who had not completed high school, Ohio's LEAP program uses financial incentives and penalties, combined with case management and support services, as a means to promote school attendance. In effect, LEAP ties the size of the welfare grant to whether a teen mother goes to school. Through this, the program seeks to foster school completion and, ultimately, increase employment and self-sufficiency and reduce reliance on public assistance.

This is the fourth in a series of reports from a 12-county study, which MDRC is conducting for the Ohio Department of Human Services. The first report showed that, after the expected start-up problems, LEAP proved operationally feasible: Schools and the welfare department implemented the reporting and data systems needed to operate the bonus and grant reduction system and manage the program. The second report found that LEAP prevented some in-school teens from dropping out and brought some dropouts back to school. The third report, covering only Cleveland, showed that the increased school attendance translated into a significant increase in school completion (primarily high school graduation but also receipt of a GED, a high school equivalency certificate) for teens who *were enrolled* in school when they entered the program, but little if any gain for teens who *had dropped out* of school prior to their exposure to LEAP. The latter group often experienced repeated grant reductions (sanctions) for failing to return to school or attend regularly.

This report looks at LEAP's effects on school completion, employment, welfare receipt, and other outcomes for a subsample of teens in 7 of the 12 counties three years after they were determined to be eligible for LEAP. As in the last report, the results differ sharply for teens who were and were not enrolled in school when they were found eligible for LEAP.

- For initially enrolled teens, LEAP increased school completion (although primarily GED completion) by almost 20 percent and increased employment by over 40 percent.
- For dropouts, there was no increase in school completion or employment, despite high sanctioning.
- Overall, fewer teens remained on welfare, although the receipt rates were still very high.
- In Cleveland, but not in the other large cities, LEAP substantially increased high school graduation rates, suggesting the importance of both providing special services to keep teens in school and setting restrictions on leaving high school to enter a GED program.

These new findings show that LEAP's incentives clearly mattered: More young people completed school (or were still enrolled), went to work, and/or left welfare. The greater success in Cleveland, moreover, suggests some strategies to improve on these results. But the report also reminds us that there are no easy answers. For the tougher group — those who were initially out of school — LEAP produced no gains and repeated sanctions. Overall, too many teens returned to school

only to leave again without getting a diploma. And too many remained on welfare and not employed.

Earlier LEAP reports found that a troublingly large number of teens described their schools as dangerous and disorderly places where learning was difficult. This suggests that, for LEAP to reach its full potential, something will have to change in the public schools, and not only in the welfare department. This challenge takes on new urgency, since LEAP-like requirements were mandated in the welfare reform legislation that passed Congress in 1995.

This report does not tell the complete LEAP story. The final report, available in about a year, will track a much larger sample of teens for a longer time in all 12 counties. While long follow-up is always informative, the youth of many of the LEAP teens makes this essential to reaching a final conclusion on the program's achievements.

Multi-year evaluations like this one require the sustained commitment of staff in the agencies that run the programs and that fund the study. This study benefited from an unusual public-private partnership including staff in the 12 Ohio counties, the state Department of Human Services, and a group of additional funders. This report's publication is a welcome opportunity to express our appreciation for their support.

Judith M. Gueron
President

EXECUTIVE SUMMARY

This report presents the latest findings on the effectiveness of Ohio's Learning, Earning, and Parenting (LEAP) Program, a statewide welfare initiative that uses financial incentives and penalties to promote school attendance by pregnant and parenting teenagers on welfare, the group most likely to become long-term welfare recipients. LEAP requires these teens to stay in school and attend regularly or, if they have dropped out, to return to school or enter a program to prepare for the GED (General Educational Development, or high school equivalency) test. The program thereby strives to increase the proportion of teens who graduate from high school or receive a GED, find jobs, and ultimately achieve self-sufficiency.

Teens who meet LEAP's requirements have their welfare checks increased — \$62 for school enrollment and an additional \$62 each month they attend school regularly — and teens who do not (without an acceptable reason) have \$62 deducted from their welfare grant every month until they comply with program rules. Those who exceed the allowed number of total absences in a month but not the allowed number of unexcused absences qualify for neither a bonus nor a sanction. Teens may be temporarily exempted from LEAP's requirements for medical reasons, to care for an infant, or if child care or transportation is unavailable, and they are no longer subject to the requirements when they reach the age of 20. During most of the period covered by this report, a teen living on her own with one child — the most common situation — was eligible for a monthly AFDC grant of \$274. Thus, a bonus raised her grant to \$336 and a sanction reduced it to \$212.

Teens' enrollment and attendance are monitored by case managers, who explain the program's rules, offer guidance, and authorize assistance with child care and transportation teens may need to attend school. LEAP itself provides no other services, although many Ohio high schools have special programs, called GRADS, which are designed to assist teen parents in managing their dual roles as parents and students.

This is the fourth report from an evaluation of LEAP's operations, results, and cost-effectiveness, which the Manpower Demonstration Research Corporation (MDRC) has been conducting since the program began in 1989.¹ The evaluation is being conducted under contract to the Ohio Department of Human Services (ODHS), with additional funding provided by the Ford Foundation, the Cleveland Foundation, BP America, the Treu-Mart Fund, the George Gund Foundation, the Procter & Gamble Fund, and the U.S. Department of Health and Human Services.

The report focuses on the experience of teens in seven counties (with about half of the statewide LEAP caseload) three years after they were found eligible for LEAP.² These teens became eligible during the program's first two years of operation, and all of them encountered LEAP early in its evolution. Given the program's improvement since that time, the findings in this report may be

¹MDRC's previous three reports on LEAP are: Dan Bloom, Hilary Kopp, David Long, and Denise Polit, *LEAP: Implementing a Welfare Initiative to Improve School Attendance Among Teenage Parents* (1991); Dan Bloom, Veronica Fellerath, David Long, and Robert G. Wood, *LEAP: Interim Findings on a Welfare Initiative to Improve School Attendance Among Teenage Parents* (1993); and David Long, Robert G. Wood, and Hilary Kopp, *LEAP: The Educational Effects of LEAP and Enhanced Services in Cleveland* (1994).

²Sample members are referred to as "teens" in this report, but at the three-year point, most were no longer teenagers.

conservative estimates of LEAP's effectiveness as a mature program.

The report assesses the program's effects on high school graduation and GED receipt, and on teens' college enrollment, employment and earnings, welfare receipt, and other outcomes. In part because many of the teens were in school or a GED program at the three-year follow-up point, the fifth and final report will use a longer follow-up period — four and a half years — to capture the program's longer-term results. Scheduled for publication in 1997, it will also cover all 12 study counties and will compare LEAP's benefits and costs.

LEAP is directed to a critically important segment of the welfare population, can be operated on a large scale at a relatively low cost, and does not require establishing new agencies or organizations. Thus, policymakers outside Ohio may find the LEAP model an attractive option if it is found to be effective.

An Overview of the Findings

LEAP's incentives were intended to produce a chain of effects on teens' behavior, starting with increased school enrollment and attendance and culminating in reduced welfare dependence and increased self-sufficiency. The program's effectiveness is being evaluated using a research design in which all teens in the study counties who were determined to be eligible for LEAP during its first two years of operation were, at the same time, assigned at random to either a program group (subject to LEAP) or a control group (not subject to LEAP). The measured average differences between the two groups' outcomes over time (e.g., their differences in rates of high school graduation or GED attainment, employment, or welfare receipt) are the observed results (or "impacts") of LEAP. Thus far, LEAP has been successful in improving some outcomes in the impact chain; its success has been concentrated among teens who had *not* dropped out of school at the time they were found eligible for the program.

Virtually all program group members were reached by LEAP's incentive structure, with 93 percent qualifying for at least one bonus or "sanction" (grant reduction) during their first 18 months in the program. Overall, the young mothers responded strongly to the incentives: The program had large impacts on school enrollment and attendance, as described in previous reports. At the three-year point examined in this report, LEAP's impacts on subsequent outcomes were both smaller and sometimes less consistent across locations and groups within the LEAP population. There were clear impacts on school progress (completion of the ninth, tenth, and eleventh grades); however, LEAP increased high school graduation and GED receipt in some communities, but not in others. LEAP teens — possibly as a result of spending more time in school (even without graduating) and attaining GEDs — were more likely to be working and less likely to be on welfare: At the three-year follow-up point, the program group's employment rate (33 percent) was higher than the control group's (28 percent), and a larger percentage had left the welfare rolls (17 percent compared to 12 percent).

LEAP's success varied greatly for the two major groups within the LEAP population. For teens who were *enrolled* in high school or a GED program when they became eligible for LEAP (referred to as the "initially enrolled" teens), the program had significant effects on a combined measure of high school graduation or GED receipt (primarily GED receipt) and on employment. High school graduation/GED receipt rose by close to 20 percent: 46 percent of initially enrolled teens in the program group received a high school diploma or GED within three years, compared to 39 percent of the control group. (The impact was even larger for younger teens who started LEAP at or close

to their age-for-grade level.) At the three-year point, 66 percent of the initially enrolled teens had graduated or received a GED or were in some type of school program (compared to 57 percent of the control group), although 83 percent were still on welfare. The initially enrolled teens' employment rates increased by over 40 percent: 39 percent of the program group were working (mostly part time), compared to 27 percent of the control group. This employment increase will be very impressive if it holds up for the final report's longer follow-up period and much larger sample.

In contrast, although LEAP induced many *dropouts* to return to school or (more commonly) to enter a GED program, it did not have an appreciable effect on their rates of high school graduation/GED receipt or employment. The program did have some success working with dropouts who were 17 or younger, most of whom had been out of school for less than a year. But it was ineffective in altering the school behavior of older dropouts, who outnumber their younger counterparts. Moreover, in its largely futile effort to change their life course, the program imposed numerous sanctions on many dropouts, who reported diminished spending on essentials for their children as well as themselves. At the three-year point, only a third of these teens had graduated from high school, had received a GED, or were in school or a GED program, and 84 percent remained on welfare.

LEAP's impacts also varied across the study communities, with the most striking difference being between the results in Cleveland — where there were more services to keep teens in school and more restrictions on leaving high school to enter a GED program — and the other areas.³ First, in Cleveland (where one in six LEAP-eligible teen mothers in Ohio lived), the program's effect on high school graduation/GED receipt was significantly greater than in other large cities. Second, the Cleveland impact, while following the statewide pattern of greater success for initially enrolled teens, was driven mainly by an increase (relative to the control group) in high school graduations rather than GEDs (which was the case in most other locations). Third, the increased rate of high school graduation in Cleveland was followed by a significant increase in college enrollment, a link in the impact chain that was not observed elsewhere. However, at the three-year point, possibly because more teens were enrolled in college, LEAP did not appear to generate larger employment gains in Cleveland, or remove more teens from the welfare rolls, than it did in other communities. Particularly if the longer-term follow-up shows that Cleveland's greater education gains are translating into substantial impacts on employment and welfare receipt, the differences in program implementation across the counties will offer important lessons on strategies to improve LEAP's overall effectiveness.

LEAP uses welfare incentives to try to change teen mothers' school behavior, but it does not do anything to reform the schools, where a large number of LEAP teens reported on a survey that they did not feel safe, experienced frequent class disruptions by other students, and were "given a hard time about being a parent" by both students and teachers. This report shows that financial incentives can make a difference: Teens responded, and this produced some employment and welfare gains. But the limited size of the gains points to how difficult it is to change behavior. Many teen mothers who returned to high school did not graduate, instead dropping out and sometimes choosing the easier GED route. The report also points to a policy trade-off: LEAP's gains for initially enrolled youth came

³Except for the findings on bonus and sanction rates, all Cleveland results presented in this report cover East Cleveland as well as Cleveland. The special services and restrictions (it is school district policy to strictly enforce the Ohio rule that students under age 18 cannot leave high school to attend a GED program) apply only to Cleveland.

at the cost of repeated sanctions for the older dropouts and their children. Policymakers should consider this trade-off, and the potential for improved outcomes suggested by the Cleveland findings, in assessing the LEAP experience.

Data Sources for This Report

This report's analysis of program operations — i.e., the application of LEAP's incentive structure — uses bonus and sanction data obtained from LEAP casefiles (including those for some teens too old to have had the full LEAP experience) from Ohio's three largest counties: Cuyahoga (Cleveland), Franklin (Columbus), and Hamilton (Cincinnati). The impact estimates that are the report's main focus come from comparing the experience of the program and control groups in seven counties: Cuyahoga, Franklin, Hamilton, Lawrence, Lucas, Muskingum, and Stark.

Most of the data for the report are from a survey administered approximately three years after random assignment to 913 teens (446 in the program group and 467 in the control group), who are a random subsample of all the teens in the seven counties who were randomly assigned between mid-August 1990 and September 1991 and who were young enough to have been exposed to the full LEAP treatment. Additional data on school outcomes are from administrative records for all 4,325 sample members who lived in five of the largest urban school districts in the seven counties (Cincinnati, Cleveland, East Cleveland, Columbus, and Toledo), were randomly assigned between July 1989 (when random assignment began) and June 1991, and were young enough to have received the full LEAP treatment.

The Teens' School Status and Age as a Context for the Findings

It is important to keep in mind the school status and age of the teens when they first became eligible for LEAP and the limited three-year period covered by this report's follow-up. As discussed above, all LEAP teens can be classified into two groups: those who were already enrolled in high school or a GED program when they became eligible for LEAP (initially enrolled teens) and those who were not enrolled at the time (dropouts). For enrolled teens, LEAP's job is to keep them in school and attending regularly until they receive their diploma or GED. Presumably this job is easier for teens who are at (or close to) their age-for-grade level than for teens who are enrolled but have fallen a grade or more behind their peers.

The program's task with the dropouts is different: to induce teens to return to high school or enter a GED program and then keep them there until they eventually graduate or pass the GED test. For most dropouts, this requires a major change in their lives (perhaps less so for those who have been out of school a short time). Dropouts also face more barriers to succeeding (e.g., on average, they have more children). LEAP's task is especially formidable with older dropouts who have been out of school a long time.

In terms of age at random assignment, 13 percent of the teens in the survey sample were 15 or under; 44 percent were 16 or 17; and 43 percent were 18 or 19. Thus, for example, three years later:

- A teen who was 16 and in school but behind age-for-grade at random

assignment might still be in high school, not working, and on welfare.

- A teen who was 17 and at age-for-grade at random assignment might have completed high school, gone to community college, and still be on welfare.
- A dropout who was 17 at random assignment might have subsequently received a GED, gone to work, and left welfare.
- A dropout who was 18 might have been in and out of school, frequently sanctioned, and remain on welfare.

As the first two examples illustrate, it can easily take more than three years for LEAP's impact chain to take shape, even if teens respond to the LEAP treatment exactly as intended (it takes even longer for teens who start LEAP at age 15 or younger). As a result, it is not possible to determine, with three years of data, whether or not LEAP will achieve its full chain of effects on the teens' behavior.

Findings on Bonuses and Sanctions

- **County LEAP programs experienced difficulties in implementing LEAP's incentive structure during the program's first two to three years of operation, particularly in urban counties, but have efficiently carried out bonuses and sanctions since then.**

As discussed in detail in the 1993 report and summarized in this one, all seven counties covered in the present report successfully implemented LEAP's incentive structure. Program operations improved over time, which meant that most teens were exposed to a more efficient and predictable LEAP program during the 1991-92 school year than the one they faced in the prior two years. The key was full implementation of a sophisticated computer system that made tracking teens easier and carrying out bonuses and sanctions largely automatic.

- **Almost all eligible teens (93 percent) were touched by LEAP's incentives, with 75 percent earning at least one bonus and 56 percent qualifying for at least one sanction.**

Fully 93 percent of teens earned at least one bonus or sanction, with the average teen qualifying for six grant adjustments (3.5 bonus payments and 2.8 sanctions) during her first 18 months in LEAP. During this 18-month period, there were more bonuses than sanctions: 37 percent of teens earned only bonuses; 18 percent qualified for only sanctions; and 38 percent earned at least one bonus and one sanction. In other words, 75 percent of teens earned at least one bonus and 56 percent qualified for at least one sanction. As time passed and the teens got older, those who were still eligible for LEAP received many more sanctions than bonuses, probably because teens who had graduated or received a GED by month 18 (generally cooperative teens, who earned frequent bonuses) were no longer subject to LEAP, leaving a higher proportion of frequently sanctioned teens still subject to the program.

- **Bonus and sanction rates were strikingly different for teens who were enrolled in school when they became eligible for LEAP and teens who were not.**

Based on Cleveland data covering most teens' entire period of eligibility for LEAP, bonus rates were higher, and sanction rates much lower, for the initially enrolled teens. Less than two-thirds of them were ever referred for a sanction, and only 4 percent were referred for nine or more sanctions and no bonuses. In contrast, more than three-quarters of the dropouts qualified for at least one sanction, and 22 percent qualified for nine or more sanctions and no bonuses.

- **The majority of teens with multiple sanctions reported diminished spending on essentials for their families, especially clothing and food. Most teens with multiple bonus payments reported spending a large share of the additional money on their children.**

Teens who were sanctioned at least four times reported in the three-year LEAP survey that the resulting welfare grant reductions had a material effect on their families: 58 percent said that their families had fewer essentials (most often clothing, food, and medicine) because of the grant reductions. Moreover, the sanctions reportedly affected the children at least as much as their teenage parents. Teens replaced part of the income they lost to sanctions by borrowing money (usually from their parents), applying for other forms of public assistance (most frequently Food Stamps), and seeking additional child support. In addition, two-thirds of teens postponed paying bills, most often utilities bills or rent.

Among teens who received at least four bonus payments, close to 90 percent reported using the additional money on essentials, especially for their children. Almost a quarter also reported being able to pay for some "luxuries" such as new clothing and outings (e.g., to the movies or to the zoo) for their children. These teens also were better able to pay their bills and to save some money, which they said was later used to obtain special items for their children, buy household essentials, and cover unexpected emergencies.

Findings on High School Graduation and GED Receipt

Full Sample

- **For the full sample of teens, LEAP substantially increased high school enrollment, attendance, and progress through the eleventh grade, but did not have a significant impact on high school graduation.**

According to the three-year survey, LEAP increased completion of the ninth, tenth, and eleventh grades but had no overall impact on high school graduation. (See the top panel of Table 1.) LEAP teens' GED completion rate reached 11 percent by the end of three years, compared to 8 percent for the control group, a difference that also was not statistically significant.⁴ The school records data (not shown in Table 1) indicate a GED receipt impact of almost identical size which, probably because the sample was much larger, was statistically significant.

Also, an examination of school records data for about two-thirds of the teens (in five urban

⁴Statistical significance means that one can be highly confident that the difference was due to the program, rather than to statistical chance. In Table 1 and other tables in this report, one asterisk indicates a 90 percent probability that a measured difference was due to the program, and two or three asterisks indicate a 95 or 99 percent probability, respectively.

TABLE 1

LEAP's THREE-YEAR IMPACTS IN SEVEN COUNTIES FOR THE SURVEY SAMPLE, BY SCHOOL ENROLLMENT SUBGROUP

Sample and Its Status 3 Years After Random Assignment	Program Group	Control Group	Difference
All teens			
Completed grade 11	50.0 %	45.4 %	4.6 *
Ever completed high school	22.9	23.5	-0.6
Ever completed GED	11.1	8.4	2.7
Ever completed high school or GED	34.0	31.9	2.1
Currently enrolled in high school or a GED program	17.5	14.5	3.0
Ever completed high school or GED, or currently enrolled in high school or a GED program	51.6	46.5	5.1 *
Ever employed in past 3 months	33.2	27.6	5.5 *
Employed in past 3 months and has a high school diploma or GED	15.8	12.8	3.0
Currently receiving AFDC	83.3	87.6	-4.3 *
Teens enrolled in school at random assignment			
Completed grade 11	60.6 %	58.1 %	2.5
Ever completed high school	35.6	34.2	1.4
Ever completed GED	10.0	4.4	5.6 **
Ever completed high school or GED	45.6	38.6	7.0 *
Currently enrolled in high school or a GED program	20.3	18.3	2.0
Ever completed high school or GED, or currently enrolled in high school or a GED program	65.9	56.9	9.0 **
Ever employed in past 3 months	38.9	27.4	11.5 ***
Employed in past 3 months and has a high school diploma or GED	22.6	14.5	8.1 **
Currently receiving AFDC	82.6	87.1	-4.6
Teens not enrolled in school at random assignment			
Completed grade 11	35.8 %	28.0 %	7.8 *
Ever completed high school	6.7	7.8	-1.1
Ever completed GED	12.0	14.3	-2.3
Ever completed high school or GED	18.6	22.1	-3.4
Currently enrolled in high school or a GED program	13.6	9.5	4.0
Ever completed high school or GED, or currently enrolled in high school or a GED program	32.2	31.6	0.6
Ever employed in past 3 months	26.3	26.5	-0.1
Employed in past 3 months and has a high school diploma or GED	7.1	9.3	-2.2
Currently receiving AFDC	83.6	89.1	-5.5

NOTES: "Completed GED" refers to passing the GED test.
 Estimates of the program-control group differences are regression-adjusted using ordinary least squares, controlling for pre-random assignment background characteristics of sample members.
 Rounding may cause slight discrepancies in calculating differences.
 A two-tailed t-test was applied to the difference between the program and control groups.
 Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent, and * = 10 percent.

school districts) who did not respond to the survey suggests that their impacts were larger than those based on survey respondents, indicating that the survey-based impact findings may be conservative.

- **Two-thirds of the teens did not receive a high school diploma or GED within the three-year follow-up period.**

A number of factors probably explain the low rate of school completion, including teens' feelings about school and their own future. In an earlier survey, a large proportion of LEAP teens reported that their schools were unsafe, inflexible, and unsupportive. Some also viewed their economic prospects as dim, with or without a diploma or GED (see Appendix Table D.1 in the full report). Other studies have pointed to the situational and emotional problems that can make school attendance difficult for teenage single mothers. Another factor is the teens' youth. By the end of follow-up, approximately 30 percent of LEAP teens in the survey sample were under 20, and 18 percent (compared to 15 percent of control group members) were in high school or a GED program. When school completion or enrollment are considered together, significantly more LEAP teens than control group members (52 percent compared to 47 percent) had graduated from high school, received a GED, or were in high school or a GED program (mostly the latter). Thus, it is possible that, with longer follow-up, LEAP's impacts on high school graduation and GED receipt may increase.

Finally, it is important to consider LEAP's high school graduation impacts in the context of the overall graduation rates in the same locales. According to official data, the high school graduation rates for all students in the five school districts where school records were collected ranged between 27 and 45 percent in 1994. Lifting the graduation rates of LEAP teens to such levels would be a noteworthy achievement.

Subgroups

- **LEAP increased the combined high school/GED completion rate of teens who were enrolled in school when they became eligible for the program, with most of the impact being on GED receipt. Within this initially enrolled group, teens who had been under age 18 and at or close to their age-for-grade level received diplomas or GEDs, or were enrolled in school at the three-year point, to a far greater extent than those in the control group.**

Over half of the teens were enrolled in school or a GED program at the time they first became eligible for LEAP. The program induced more of these teens to stay in school than would have done so without LEAP and, as shown in the middle panel of Table 1, this generated a substantial increase in school completion: According to the seven-county survey, after three years 46 percent of LEAP teens completed school or a GED program, compared to 39 percent of control group teens. Most of this impact was attributable to GED completions. (This impact may increase over time, since, as shown in Table 1, 20 percent of LEAP teens were in high school or a GED program at the end of three years, a somewhat higher percentage than for the control group.)

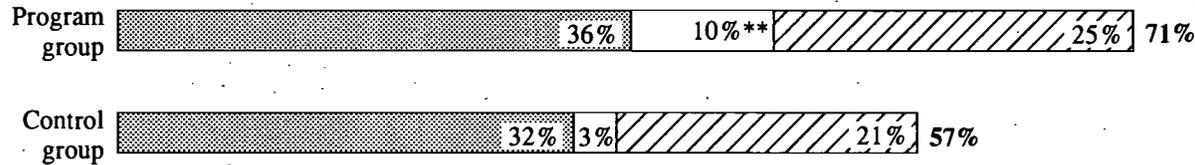
Dividing enrolled teens into the subgroups shown in Figure 1 helps identify the teens for whom LEAP has been most and least effective, although the results are not conclusive, given the small size of the subgroup samples. The program's impact on high school/GED completion was particularly large for teens who were in school and had not turned age 18 or fallen substantially behind age-for-grade level at the time their LEAP eligibility was determined. As indicated by the top two bars in the figure, 46 percent of teens in the program group who had these characteristics received a diploma or

FIGURE 1

LEAP's THREE-YEAR IMPACTS ON SCHOOL OUTCOMES FOR SELECTED SUBGROUPS WITHIN THE SURVEY SAMPLE

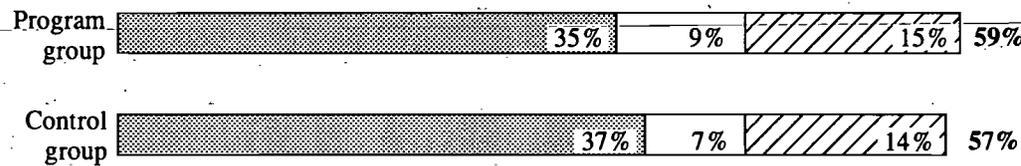
Teens Enrolled in School at Random Assignment

Under 18 and at or close to age-for-grade level when they became eligible for LEAP (32% of the survey sample)



14 percentage point increase in teens who have received a high school diploma or GED or are currently enrolled in school**

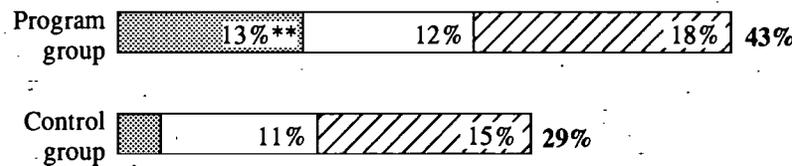
18 or 19 and/or behind age-for-grade level when they became eligible for LEAP (26% of the survey sample)



2 percentage point increase in teens who have received a high school diploma or GED or are currently enrolled in school

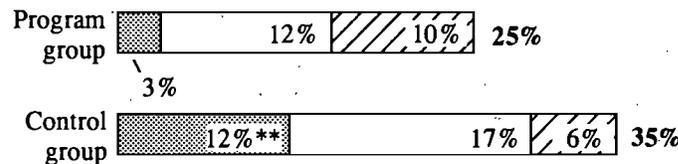
Teens Not Enrolled in School at Random Assignment

Under 18 when they became eligible for LEAP (17% of the survey sample)

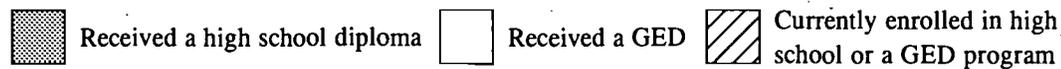


14 percentage point increase in teens who have received a high school diploma or GED or are currently enrolled in school*

18 or 19 when they became eligible for LEAP (25% of the survey sample)



9 percentage point decrease in teens who have received a high school diploma or GED or are currently enrolled in school



NOTES: "At or close to age-for-grade level" applies to 17-year olds who have completed at least the tenth grade, 16-year-olds who have completed the ninth grade, 15-year-olds who have completed at least the eighth grade, etc. All others are considered "behind age-for-grade level." Asterisks indicate that a difference is statistically significant (significance levels are indicated as *** = 1 percent, ** = 5 percent; * = 10 percent). Rounding may cause slight discrepancies in calculating differences.

GED within the three years, and another 25 percent were enrolled in high school or a GED program at the three-year point. Thus, 71 percent of the LEAP teens had obtained a high school diploma or GED, or were working on it, compared to only 57 percent of the control group — a large and statistically significant difference. The difference for other teens who were initially enrolled in school was much smaller and not statistically significant.

- **LEAP did not appear to increase school completion for teens who were dropouts at the time they became eligible for the program. Only one in five of these teens received a diploma or GED.**

As shown in the bottom panel of Table 1, the program did not increase school completion by dropouts, at least not by the end of the three-year period covered by the survey. Only 19 percent of program group members and 22 percent of control group members received a diploma or GED, a difference that was not statistically significant. It is noteworthy, however, that the program's impact on eleventh-grade completion was sizable (8 percentage points) and statistically significant. However, less than 20 percent of eleventh-grade completers went on to receive their diplomas within the three years, and LEAP had no effect on the proportion that did.

Once again, different subgroups among teens who were out of school when they were determined eligible for LEAP fared quite differently. As indicated in the bottom half of Figure 1 (and, again, remembering that this is based on small samples), LEAP appeared to be successful with dropouts who were under the age of 18 when they started the program. Thirteen percent of these LEAP teens graduated within three years — more than four times the rate for the control group — and 18 percent were enrolled in high school or a GED program at that point, compared to 15 percent of the control group. Thus, although the rates of GED receipt were similar, significantly more (43 percent) of the program group received a diploma or GED or were in school or a GED program at the three-year point, compared to only 29 percent of the control group. In contrast, the results for older dropouts were not at all encouraging.

- **LEAP's school impacts varied substantially across geographic areas. The program significantly increased high school graduations in Cleveland, produced no significant effects in Cincinnati, Columbus, and Toledo, and significantly increased GED receipt outside these large urban areas.**

Records data collected from five school districts in four urban areas indicate that LEAP's impact on high school and GED completion, as well as the composition of this impact, was not consistent across districts. The program effect in Cleveland was significantly larger than in Cincinnati, Columbus, and Toledo, and it included an increase in both high school diplomas and GEDs, neither of which increased in the other cities. The smaller survey sample, which covers more counties and non-urban areas, also shows that LEAP produced a significant increase in graduations in Cleveland (see Table 2), but in this sample there were also positive impacts on GED receipt outside Cleveland (due mainly to an increase outside these large urban areas).

Cleveland's success in increasing high school graduation was somewhat surprising: Cleveland has the largest AFDC and LEAP population in Ohio and had the most difficulty initially implementing the program. Its achievement appears to reflect three factors. First, partly through a special demonstration program, about half of the program group teens in Cleveland were offered a range of enhanced services (on-site day care, GRADS programs, on-site LEAP case managers, and teen-focused GED programs), which the 1994 report found increased the proportion of teens who, once attending,

TABLE 2

**LEAP's THREE-YEAR IMPACTS IN SEVEN COUNTIES FOR THE SURVEY SAMPLE,
BY SCHOOL ENROLLMENT SUBGROUP AND AREA**

Sample and Its Status 3 Years After Random Assignment	Cleveland			All Seven Counties (Excluding Cleveland)		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference
All teens						
Ever completed high school	23.5 %	16.9 %	6.6 *	22.7 %	27.3 %	-4.6
Ever completed GED	6.6	9.7	-3.1	13.7	7.6	6.1 **
Ever completed high school or GED	30.1	26.6	3.5	36.4	34.9	1.5
Ever enrolled in college	14.2	11.4	2.8	11.2	12.4	-1.3
Ever employed in past 3 months	29.8	27.5	2.3	35.4	27.3	8.1 **
Currently receiving AFDC	85.8	90.9	-5.0	81.6	86.1	-4.5
Teens enrolled in school at random assignment						
Ever completed high school	33.3	24.3	9.0 *	37.3	39.9	-2.6
Ever completed GED	7.1	3.0	4.2	11.5	5.4	6.1 **
Ever completed high school or GED	40.5	27.2	13.2 **	48.8	45.3	3.5
Ever enrolled in college	20.6	11.8	8.8 *	17.3	18.6	-1.3
Ever employed in past 3 months	33.2	28.4	4.8	41.8	27.2	14.5 ***
Currently receiving AFDC	87.0	90.8	-3.8	79.9	84.9	-5.0

NOTES: "Completed GED" refers to passing the GED test.

Estimates of the program-control group differences are regression-adjusted using ordinary least squares, controlling for pre-random assignment background characteristics of sample members.

Rounding may cause slight discrepancies in calculating differences.

A two-tailed t-test was applied to the difference between the program and control groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent, and * = 10 percent.

eventually received a high school diploma or GED. Second, Cleveland rigorously enforced the state rule that students under the age of 18 are not allowed to leave high school to prepare for or take the GED test, while other districts, notably Columbus and Toledo, permitted many students to make this switch. Third, Cleveland teens might have been more willing to stay in school, partly because Cleveland has more alternative high schools than do the other districts.

Findings on Employment, Welfare Receipt, and College Enrollment

Full Sample

- **Overall, LEAP increased the likelihood that teens would be working three years after they became eligible for the program and reduced the likelihood that they would be receiving AFDC benefits.**

As shown in the top panel of Table 1, 33 percent of program group teens worked (mostly part time) during the three months immediately prior to the survey, compared to almost 28 percent of the control group, for an increase of 5.5 percentage points. This impact is comparable in magnitude to that of successful mandatory welfare-to-work programs targeted to adult welfare recipients.

The program also significantly reduced AFDC receipt, although this impact did not emerge quickly: LEAP had no effect on welfare receipt during the first year following random assignment, or even for the early months during the third year. However, by the time of the three-year survey, 83 percent of the program group were receiving AFDC, compared to 88 percent of the control group.

It will be important to determine whether the employment and welfare impacts continue to grow over time, given the youth of the sample and the fact that almost one-sixth of them were enrolled in school or a GED program at the end of the three-year follow-up.

Subgroups

- **The employment impact was entirely attributable to the program's effect on teens who were initially enrolled in school. LEAP lifted their employment rate by over 40 percent, while it had no effect on dropouts.**

For the survey sample, the employment gains parallel the education impacts: Both were centered on teens who were enrolled in school when they first became eligible for LEAP. As shown in Table 1, 39 percent of initially enrolled teens were working three years later, compared to only 27 percent of the control group, for an increase of 12 percentage points, or 42 percent. If this result holds up for the final report's longer follow-up period and much larger sample, it will be a substantial achievement, given especially the history of very limited program results for teen parents on welfare.

It appears that LEAP's impact on school completion by initially enrolled teens may have driven this large effect on employment. As shown in Table 1, the increase in the share of teens who had completed school *and* were working (8 percentage points) was two-thirds of the total increase in employment (12 percentage points). In contrast, LEAP had no impact on the employment of dropouts three years after they became eligible for LEAP. In other words, LEAP has produced impacts on several outcomes for in-school teens, but not for dropouts.

In terms of AFDC impacts, there was no similar subgroup variation. The measured reduction in receipt was similar for both enrolled teens and dropouts, although both fell just short of being

statistically significant (probably because of the small sample sizes).

- For initially enrolled teens in Cleveland, where LEAP increased high school graduations, it also increased college enrollment; however, at the three-year point, LEAP had not raised employment rates. In the seven counties as a whole (excluding Cleveland), LEAP increased GED attainment and substantially increased employment.

Given the superior high school completion findings in Cleveland, it is important to compare subsequent results there to those in other locations. For Cleveland teens who were enrolled in high school or a GED program at random assignment (see Table 2), LEAP produced a 9 percentage point increase in both the likelihood of receiving a high school diploma and the likelihood of enrolling in college, but no significant increase in the employment rate. In contrast, outside of Cleveland, there was no increase in high school diplomas or college enrollment, but there was a large, 15 percentage point increase in employment. The increased college enrollment may be one explanation for the lack of employment impacts in Cleveland for teens who were enrolled in school at random assignment.

As shown in Table 2, the GED receipt rate almost doubled outside Cleveland, and the employment rate increased from 27 percent to 35 percent, with both impacts being driven by the results for the initially enrolled teens (as shown in the bottom panel of Table 2). This is new evidence that GED certificates earned by teen parents may have positive labor market effects.

Conclusion

Results to date from the LEAP evaluation show that welfare incentives (coupled with case management and support services) can change behavior and ultimately reduce AFDC receipt, but that change is difficult and the incentives may produce some perverse effects. For teens who were in school or a GED program when they became subject to LEAP's mandates, the program substantially increased school attendance (showing that teens are able to combine school and parenthood), school or GED completion, and subsequent employment. But it produced a higher rate of GED receipt rather than high school graduation. For teens who were out of school when they became eligible for LEAP, the program's incentives were clearly not enough (especially for the older teens) to increase the very low rate of school completion or to increase employment. LEAP's multiple sanctions, however, affected poor families.

The findings suggest that LEAP can produce promising outcomes, particularly when it gets to teen parents while they are young and still in school. As currently operated, LEAP reaches teens sooner than it did during the period covered by this study. This is because the eligibility of teens for LEAP is now determined automatically by computer as soon as a teen parent opens a welfare case or a teenager on an existing welfare case becomes pregnant with (or gives birth to) her first child; and because program actions, once eligibility is established, are swifter than they were during the study period. Thus, LEAP may be more effective as an ongoing program than the results indicate.

However, the findings also point to the limits on what incentives alone can do to increase high school graduation. LEAP gets more young people to the schoolhouse door, but too many subsequently walk back out before getting a diploma. The greater success in Cleveland suggests some strategies for improving on these results. But more far-reaching changes in the teens' school experience will likely be needed if LEAP is to realize its full potential. The study's final report will explore these issues further, present LEAP's later impacts for teens in all 12 evaluation counties, and compare the program's benefits and costs.

5/3/96 7:00pm

WR -
Teen ~~mothers~~
mothers

**PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS TO THE NATION
THE WHITE HOUSE
MAY 4, 1996**

Good morning. One of my proudest achievements was to sign the Family and Medical Leave Act. This week, the bipartisan panel Congress created to study it, reported that the law has helped more than one in six American employees take time off because of a serious family health problem without any danger of losing their job. And almost 90 percent of businesses found that complying with Family and Medical Leave cost them little or nothing.

This is making American families stronger. We have to do that with welfare reform too. Our job is to fix a welfare system that too often pulls families apart, and turn it into one that helps families pull together. Today's system traps too many people in a cycle of dependency that ends up snaring their children as well. For the last three years, we've been working hard to turn that around. Even while action in Congress has stalled, my Administration has pressed forward:

All across America, welfare rolls are down, food stamp rolls are down, and teen pregnancy rates are down. More and more people on welfare today are working as a condition of receiving welfare. A lot of this has happened because our Administration has worked overtime to free states from miles of red tape. We have slashed federal rules so 37 states, covering 75 percent of all the people on welfare in America, can take steps to break a broken system. State by state we are building a welfare system that demands work, requires responsibility, and protects children.

by 1 million

Now we need to go all the way. The American people want a welfare system that honors American values -- work, family, responsibility. In 1994, and again this year, I sent Congress a sweeping welfare reform plan that would impose strict time limits on how long people can stay on welfare, and strict work requirements for people while they are on welfare. My plan would also provide more funding for child care so single parents can go to work, and it would crack down on parents who skip out on their responsibility to pay child support.

deadbeat

If Congress sends me a welfare reform bill that is tough on work instead of tough on children, I will gladly and proudly sign it. But I am not going to sit around and wait for Congress. I am going to keep moving ahead to fix the welfare system by promoting work and looking out for kids.

is out Congress

Today, I am acting to help teen mothers break free from the cycle of dependency for good. The only way for teen mothers to escape the welfare trap is to live at home, stay in school, and get the education they need to get a good job. We must make sure the welfare system demands that teen mothers follow the responsible path to independence.

Ohio has used freedom from federal rules to implement a terrific program they call LEAP: Learning, Educating, and Parenting. LEAP cuts welfare checks when teen mothers don't go to school, and rewards them when they do. And it works. A report released just this week by the Manpower Demonstration Research Corporation shows that LEAP significantly increased the number of teen mothers who finished school, got jobs, and got off welfare. Every state should follow this example.

for an important group of teens

That's why, today, I am announcing that every state must put in place a plan to keep teen mothers on welfare in school. We are going to audit the progress of every state and make the results public. Second, we are going to make teen mothers who drop out of school go back to school, and sign ^{a contract} plans that spell out exactly how they're going to take responsibility for their lives. Third, we are giving states immediate authority to provide bonuses to teen mothers who go to school and graduate, and cut back the checks of those who won't.

Finally, I am challenging every state in the country to use its power to keep children-who-have-children at home where they belong. There should be no incentive to leave home for a bigger welfare check. Unfortunately, even though they can, most states don't require teen mothers to live at home. That's wrong. We have to make it clear that having a baby doesn't give you the right -- and won't give you the money -- to leave home and drop out of school. *Today, we are making responsibility a way of life, not an option*

The common-sense steps I am taking today have bipartisan support. They will help teen parents escape the cycle of dependency and start down the path to a successful future for themselves and their children.

Now Congress needs to take the next step, and pass welfare reform. But Congress should understand: You will get nowhere by tying welfare reform to the elimination of health care for poor children and elderly who need nursing homes, or by tying on a tax hike for 43 Million working Americans. I do not take poison pills; I veto them.

I am glad that a group of bipartisan lawmakers is working on welfare reform. If Congress sends me a clean welfare reform plan that demands work, demands responsibility, protects children, and helps families stay together, I will sign it. Until then, I will continue to do everything in my power to reform welfare, step by step, and state by state.

Thanks for listening.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/3/96

ACTION/CONCURRENCE/COMMENT DUE BY: 5/4/96 8:00 am

SUBJECT: Radio address

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PANETTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
ICKES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	QUINN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIEBERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RASCO	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RIVLIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REED 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CURRY	<input type="checkbox"/>	<input type="checkbox"/>	STEPHANOPOULOS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STIGLITZ	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	STREETT	<input type="checkbox"/>	<input type="checkbox"/>
HALE	<input type="checkbox"/>	<input type="checkbox"/>	TYSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input type="checkbox"/>	<input type="checkbox"/>	WALLEY	<input type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>
HILLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Klein</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KLAIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>Toiv</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LAKE	<input type="checkbox"/>	<input type="checkbox"/>	<u>Wildman</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>	<u>Sperting</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Comments to Jonathan Prince

RESPONSE:

5/3/96 7:00pm

**PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS TO THE NATION
THE WHITE HOUSE
MAY 4, 1996**

Good morning. One of my proudest achievements was to sign the Family and Medical Leave Act. This week, the bipartisan panel Congress created to study it, reported that the law has helped more than one in six American employees take time off because of a serious family health problem without any danger of losing their job. And almost 90 percent of businesses found that complying with Family and Medical Leave cost them little or nothing.

This is making American families stronger. We have to do that with welfare reform too. Our job is to fix a welfare system that too often pulls families apart, and turn it into one that helps families pull together. Today's system traps too many people in a cycle of dependency that ends up snaring their children as well. For the last three years, we've been working hard to turn that around. Even while action in Congress has stalled, my Administration has pressed forward.

All across America, welfare rolls are down, food stamp rolls are down, and teen pregnancy rates are down. More and more people on welfare today are working as a condition of receiving welfare. A lot of this has happened because our Administration has worked overtime to free states from miles of red tape. We have slashed federal rules so 37 states, covering 75 percent of all the people on welfare in America, can take steps to fix a broken system. State by state we are building a welfare system that demands work, requires responsibility, and protects children.

Now we need to go all the way. The American people want a welfare system that honors American values -- work, family, responsibility. In 1994, and again this year, I sent Congress a sweeping welfare reform plan that would impose strict time limits on how long people can stay on welfare, and strict work requirements for people while they are on welfare. My plan would also provide more funding for child care so single parents can go to work, and it would crack down on parents who skip out on their responsibility to pay child support.

If Congress sends me a welfare reform bill that is tough on work instead of tough on children, I will gladly and proudly sign it. But I am not going to sit around and wait for Congress -- I am going to keep moving ahead to fix the welfare system by promoting work and looking out for kids.

Today, I am acting to help teen mothers break free from the cycle of dependency for good. The only way for teen mothers to escape the welfare trap is to live at home, stay in school, and get the education they need to get a good job. We must make sure the welfare system demands that teen mothers follow the responsible path ... to independence.

Ohio has used freedom from federal rules to implement a terrific program they call LEAP: Learning, Educating, and Parenting. LEAP cuts welfare checks when teen mothers don't go to school, and rewards them when they do. And it works. A report released just this week by the Manpower Demonstration Research Corporation shows that LEAP significantly increased the number of teen mothers who finished school, got jobs, and got off welfare. Every state should follow this example.

That's why, today, I am announcing that every state must put in place a plan to keep teen mothers on welfare in school. We are going to audit the progress of every state and make the results public. Second, we are going to make teen mothers who drop out of school go back to school, and sign plans that spell out exactly how they're going to take responsibility for their lives. Third, we are giving states immediate authority to provide bonuses to teen mothers who go to school and graduate, and cut back the checks of those who won't.

Finally, I am challenging every state in the country to use its power to keep children-who-have-children at home where they belong. There should be no incentive to leave home for a bigger welfare check. Unfortunately, even though they can, most states don't require teen mothers to live at home. That's wrong. We have to make it clear that having a baby doesn't give you the right -- and won't give you the money -- to leave home and drop out of school.

The common-sense steps I am taking today have bipartisan support. They will help teen parents escape the cycle of dependency and start down the path to a successful future for themselves and their children.

Now Congress needs to take the next step, and pass welfare reform. But Congress should understand: You will get nowhere by tying welfare reform to the elimination of health care for poor children and elderly who need nursing homes, or by tying on a tax hike for 43 Million working Americans. I do not take poison pills; I veto them.

I am glad that a group of bipartisan lawmakers is working on welfare reform. If Congress sends me a clean welfare reform plan that demands work, demands responsibility, protects children, and helps families stay together, I will sign it. Until then, I will continue to do everything in my power to reform welfare, step by step, and state by state.

Thanks for listening.

WR - Exec. Action 5.1.96

Direct states not to exempt teens from: schol. + personal resp. plans
State plan must include description

Penalty: lose AFDC \$

Changing "should" to "must"

- model P.R. contract

Incentives: Regulatory change that would allow states to give incentives
SASE fast-track - no eval

Draft reg, Donna's letter, model P.R. contract, Engler letter

→ Talking over to MELISSA (EDITS)

Michigan: tighten up live at home reqts. - if you can't live, we'll require you to live someplace else
cond. of elij. for Food Stamps.
no eval. or cost-neutrality.

STATES LINKING ASSISTANCE TO SCHOOL ATTENDANCE/PERFORMANCE

Currently, 25 states are linking AFDC benefits to school attendance and/or school performance, 23² under waivers approved by the Clinton Administration. The following states are examples of the innovative school attendance programs operating across the country.

California

California's "Work Pays Demonstration Project" demonstration encourages teen-age AFDC parents to regularly attend school by paying them a \$100 cash bonus for maintaining a C average, and \$500 for ultimately graduating from high school. Teen-age parents who fail to maintain a D average can have their AFDC payments reduced by up to \$50 a month for two months. (Approved March 1, 1994)

An additional waiver, the "School Attendance Demonstration Project," requires the dependent teen-age children of AFDC recipients in San Diego County to attend school or participate in job search and training. (Approved Dec. 6, 1995)

Colorado

Colorado's "Personal Responsibility and Employment Program" pays financial bonuses when participants stay in school and graduate from a secondary (high school) or GED program. (Approved Jan. 13, 1994)

Delaware

Under Delaware's "A Better Chance" demonstration, teen parents are required to live in an adult-supervised setting; attend school; participate in parenting and family planning education; and immunize their children. Incentives include a \$50 bonus paid to teens who graduate from high school. Gradual sanctions can lead to the family losing benefits if participants fail to meet education and employment requirements. (Approved May 8, 1995)

Florida

Under Florida's "Family Transition Program Expansion," teen parents are required to stay in school in order to receive assistance. (Approved September 6, 1995)

Illinois

Illinois' "School Attendance" project operates in areas that have contracted with social service providers to help families with truant children. Recipients must cooperate with efforts to improve their children's school attendance, or face fiscal sanctions. **(Any more details? Who are these social service providers? What are the fiscal sanctions?)** (Approved October 2, 1995)

Louisiana

Louisiana's "Individual Responsibility" project encourages school attendance among children of recipients by putting children on probation who miss 15 days of school within any six-month period, without good cause. Children who miss more than three days a month thereafter will have their benefits withheld. **(Are benefits withheld for the children or the parents??)** (Approved Feb. 5, 1996)

Ohio

Ohio's "Learning, Earning, and Parenting" (LEAP) program requires recipients who are pregnant or are parents under the age of 20 to attend school or a program leading to a high school degree. As of September 1995, LEAP participants may also meet this requirement through approved work or training activities. Teens who meet LEAP's requirements will have their AFDC checks increased by \$62 for school enrollment and an additional \$62 each month they attend school regularly. Teens who fail to attend school will have \$62 deducted from their AFDC grant every month until they comply with program rules. A \$200 bonus will be granted to those who graduate from high-school or obtain a GED.

Pennsylvania

Anything interesting? Not on waiver fact sheet

South Carolina

South Carolina's most recent waiver, approved by the Clinton Administration on May 3, 1996, allows teens who stay in school to keep the money they earn from part-time jobs, as well as any interest earned on savings. The demonstration also requires teens to stay in school as a condition of receiving assistance.

States Requiring Teen Mothers to Live with a Parent, Guardian, or in an Adult Supervised Setting

Under current law, states have the option to require teens to live at home to receive assistance. Twenty-one states currently have such requirements, 10 initiated under Clinton Administration-approved waivers. Today, the Clinton Administration is urging all 50 states to put teen mothers on the right track by requiring minor mothers to live at home or with a responsible adult in order to receive assistance.

WR - ~~ADOLESCENT~~ TEEN
MOTHERS

Talking Points for Radio Address
President Clinton's Executive Action on Teen Parents

Over the past three years, our Administration has made real progress in reforming the welfare system, even as Congressional action has stalled. Welfare rolls are down. Food Stamp rolls are down. Teen birth rates are down. Work participation rates are up. Child support collections are up. And our Administration has freed 37 states from red tape so that they can transform their own welfare systems to demand work, require responsibility, and protect children.

In 1994 and again this year, I have presented a sweeping welfare reform bill that would promote work, encourage parental responsibility, and protect children. My plan would impose tough time limits and work requirements, provide more funding for child care, require teen parents to live at home and stay in school, and crack down on child support enforcement -- while saving billions of dollars for taxpayers.

We've uncovered a lot of common ground on welfare reform, and if Congress sends me a bill that is tough on work, rather than tough on children, I will sign it. In the meantime, we can build on what states are already doing to promote work and protect children -- particularly when it comes to teen parents. That's why, today, I am challenging all states to send the strongest possible message that staying in school and living at home are the right things to do. The actions I am taking today are critical to helping teen mothers break the cycle of dependency and turn their lives around.

Currently, 26 states require teen parents to stay in school to receive assistance, 23 through welfare waivers granted by my Administration. Ohio, for example, runs a model program called LEAP: Learning, Earning, and Parenting. LEAP reduces the checks of teen mothers when they don't go to school, and it pays them a bonus when they do. A report released this week shows that the program significantly increased the number of teen mothers who completed school, went to work, and left welfare. Ohio's program is working -- and states around the country should follow its lead. That's why today, I am directing the Department of Health and Human Services to require all states to submit plans to require school attendance for teen mothers. To help in this effort, states can provide cash bonuses to every teen mother who completes school and cut the checks of those who won't. I am also directing all 50 states to be sure that teen mothers who drop out of school return to school and sign personal responsibility plans to help them plan for the future.

A child who has a child should not get more money from the government for leaving home than for living with a parent or responsible adult. Under current law, states already have the option to require minor mothers to live at home or with a responsible adult in order to receive assistance -- but only twenty-one states have such requirements. Today, I am urging all 50 states to send the message that having a baby should not bring a teen the right and the money to leave home and drop out of school. Instead, minor mothers should live at home, stay in school, and take responsibility for turning their lives around.

The actions I'm taking today will help teens who already are parents break the cycle of dependency and become good role models and providers for their children. But we all agree that the main goal is stopping teen pregnancies from occurring in the first place. Our Administration is tackling this problem head-on. For example, my 1997 budget includes \$30 million for a new Teen Pregnancy Prevention Initiative, to give help to areas with high teen pregnancy rates. This new initiative will build on our existing grant programs which are helping communities choose -- and use -- the teen pregnancy prevention strategies that best suit their local needs. And it will complement the work of the National Campaign to Reduce Teen Pregnancy, which I announced in January.

I urge Congress to examine my welfare reform proposals, the plan drafted by the National Governors' Association, and the reforms already underway in the states. The steps I am taking today already have bipartisan support -- they are in the welfare bills adopted by the Congress and the National Governors' Association.* As I have said repeatedly, if Congress sends me a national reform bill that rewards work, demands personal responsibility and puts young mothers on a path to self-sufficiency, I will sign it. But until they do, I will continue to reform welfare one state at a time.

* Note: Stay in school and live at home provisions are included in these bills, personal responsibility plans are not.

Questions and Answers on Executive Action -- Teen Parent Requirements

Question:

What is the Administration announcing today?

Answer:

We are announcing four new steps to encourage states to require teen parents on welfare to stay in school and live at home. These four measures include: requiring all states to submit plans for requiring teen mothers to stay in school and prepare for employment; cutting through red tape to allow states to pay cash bonuses to teen mothers who finish high school; requiring all states to have teen mothers who have dropped out of school return to school and sign personal responsibility plans; and challenging all states to require minor mothers to live with a responsible adult. With these actions, we're focusing on one of the key components of welfare reform: parental responsibility. And we're putting young mothers on the right path, toward employment and self-sufficiency.

Question:

Don't states need waivers to do any of this?

Answer:

The Family Support Act of 1988 required teen JOBS participants to stay in school as a condition of assistance. States do not need waivers to strengthen their implementation of this provision -- this is what we're requiring by our actions today. However, states do need waivers to change sanctions, to use incentives, or to make school attendance a condition of assistance for teen parents beyond those participating in JOBS. **Twenty-three states** have received waivers from the Clinton Administration to implement such reforms. Ohio's LEAP program, for example, is a successful program that's increasing school attendance and employment among teen parents. Our actions today will enable states to use incentives like LEAPs without a waiver.

The Family Support Act also gave states the option to require minor mothers to live at home or in a supervised setting to receive benefits. Although states do not need a waiver to implement these requirements, **11 states** have included them within comprehensive welfare waivers, while **10 other states** have simply amended their state plans. We hope our use of the "bully pulpit" will encourage all 50 states to adopt this approach.

Question:

What real effect will the President's actions have?

Answer:

Today's action will have important results, because **about half of all adult AFDC recipients** (about two million people) had their first child when they were 19 or younger. We also know that while 80 percent of children born to unmarried teenage high school dropouts are poor, only eight percent of children born to married, older high-school graduates are poor. (Annie E. Casey Foundation.) By following the steps laid out by the President to require teen parents to finish school, live at home, and prepare for work, states will help ensure that teen parents become good role models and providers for their children."

Requiring teen mothers to finish high school also increases the odds that young mothers will get off welfare, and reduces the chances that they will later return. According to one recent study, AFDC recipients without a high school diploma are twice as likely to stay on welfare for 10 years or more. (Bane and Ellwood, Welfare Realities, p. 49). In addition, research by LaDonna Pavetti, now at the Urban Institute, shows that even controlling for basic skills, women without a high school diploma return to the welfare system at a rate that is 26 percent higher than women who have completed high school.

Question:

How many people will be affected?

Answer:

It's hard to estimate. According to HHS, in 1994, there were 300,000 teen moms aged 19 and under receiving AFDC. Unless these teens are married, or have already graduated from high school, the stay in school and personal responsibility plan conditions would apply to them. And, teens under 18 (about 65,000) would also be required to live at home. Today's action will have important results overtime, because about half of all adult AFDC recipients (some two million people) had their first child when they were 19 or younger. We know that while 80 percent of children born to unmarried teenage high school dropouts are poor, only eight percent of children born to married, older high school graduates are poor. (Annie E. Casey Foundation).

Question:

But if there are about 14 million people on AFDC, and just 300,000 would be affected, isn't this a virtually meaningless action?

Answer:

Absolutely not. The President's actions today are directed to the group of welfare recipients we need to target first: teen parents. We need to ensure that teen parents become good role models and providers for their children, and that means they must finish school, live at home, and prepare to work. The sooner states put these requirements in place, the sooner the children of teen parents will be able to grow up in independent, working families. The MDRC study released this week confirmed that Ohio's LEAP program has produced very positive results for teen parents within the three years surveyed. It increased school completion among high-school enrolled teens by almost 20 percent and increased employment by over 40 percent. It also reduced welfare receipt among these participants. It also increased school enrollment among teens who had dropped out.

Today's action will have important results, because about half of all adult AFDC recipients (some two million people) had their first child when they were 19 or younger. We know that while 80 percent of children born to unmarried teenage high school dropouts are poor, only eight percent of children born to married, older high-school graduates are poor. (Annie E. Casey Foundation).

Question:

The President said he's encouraging states to model their school attendance incentives and sanctions on Ohio's LEAP program. Don't these programs cost money?

Answer:

The Manpower Demonstration Research Corporation's (MDRC) 1994 study of the relatively service-intensive Cleveland LEAP program estimated that **LEAP cost less than \$1,000 per teen -- for the entire period of program eligibility, which averaged less than two years.** That study concluded that LEAP was a "viable, low-cost policy approach that significantly improves school completion." In other states, programs like LEAP cost no money at all, because funds used for bonuses are roughly offset by benefit cuts for truants.

The MDRC study released this week confirmed that Ohio's LEAP program has produced amazing results within the three years surveyed. It increased school completion among high-school enrolled teens by almost 20 percent and increased employment by over 40 percent. It also reduced welfare receipt among these participants.

Follow-up Question:

Where will states get the funds to implement these school attendance programs?

Answer:

Although requiring teens to live at home and stay in school is not expensive, the funding would be provided under the JOBS program, created by the 1988 Family Support Act. JOBS gives Federal matching funds to states to provide education and training for welfare recipients. While the state match rate varies (it ranges between 20 and 40 percent), all states would have access to Federal matching funds to implement these teen parent requirements. Many states have not drawn down their entire JOBS allocation, leaving Federal funds available for these programs. (Across all states, in FY 1995, only 78 percent of Federal JOBS funds were used by states). States may also use AFDC administrative resources to fund tracking and case management activities, and IV-A child care funds to pay for related child care costs. The Department of Health and Human Services will also provide technical assistance to help states run effective programs. In addition, with today's action, states will be able to receive a Federal match for the money they use to pay bonuses to encourage teens to finish school.

Question:

The MDRC study also concluded that, in order for programs like LEAP to truly succeed, the public school system in this country will need to be reformed. Doesn't something need to change in the schools before you make school attendance a condition of assistance nationwide?

Answer:

One of the Administration's primary goals is to revitalize our nation's school systems. The President has already taken action -- through initiatives such as Goals 2000, Safe and Drug Free Schools, and the School-to-Work program. But there's still much more to do. As the President said last month to the National Governors' Association, we all need to join hands to improve schools in this country so that every child gets the education they need to be productive adults.

Question:

Studies have shown that a large percentage of minor mothers have been abused by their caregivers -- is it wise to require minors to live in abusive homes?

Answer:

This minor parent residency requirement would specifically protect minors from unsafe homes. States would require minor parents to live either at home or in an alternative supervised living arrangement, if the home were unsafe.

Question:

Are you doing anything to encourage fathers to take responsibility for their families?

Answer:

We're working to send the strongest possible message to young people -- both men and women -- that they should not have children until they are prepared to care for them. In addition to the actions we're taking today, we're encouraging states to provide education and training for unemployed fathers with children on AFDC. Tough child support enforcement is also critical, and the Administration has increased collections by nearly 40 percent since taking office -- collecting a record \$11 billion from non-custodial parents in 1995.

STATES LINKING ASSISTANCE TO SCHOOL ATTENDANCE/PERFORMANCE

Currently, 26 states are linking AFDC benefits to school attendance and/or school performance, 23 under waivers approved by the Clinton Administration. The following are examples of the innovative school attendance programs operating in across the country.

California

California's "Work Pays Demonstration Project" encourages teen parents on welfare to regularly attend school by paying them a \$100 cash bonus for maintaining a C average, and \$500 for ultimately graduating from high school. Teen parents who fail to maintain a D average can have their AFDC payments reduced by up to \$50 a month. (Approved March 1, 1994)

Colorado

Colorado's "Personal Responsibility and Employment Program" pays financial bonuses when teen parents stay in school and graduate from high school or a GED program. (Approved Jan. 13, 1994)

Delaware

Under Delaware's "A Better Chance" demonstration, teen parents are required to live at home or in an adult-supervised setting, attend school, participate in parenting and family planning education, and immunize their children. Incentives include a \$50 bonus paid to teens who graduate from high school. Gradual sanctions can lead to the family losing benefits if participants fail to meet education and employment requirements. (Approved May 8, 1995)

Ohio

Ohio's "Learning, Earning, and Parenting" (LEAP) program requires recipients who are pregnant or are parents under the age of 20 to attend school or a program leading to a high school degree. As of September 1995, LEAP participants may also meet this requirement through approved work or training activities. Teens who meet LEAP's requirements will have their AFDC checks increased by \$62 for school enrollment and an additional \$62 each month they attend school regularly. Teens who fail to attend school will have \$62 deducted from their AFDC grant every month until they comply with program rules. A \$200 bonus will be granted to those who graduate from high school or obtain a GED. (September 6, 1995)

South Carolina

South Carolina's most recent waiver, approved by the Clinton Administration on May 3, 1996, requires teens to stay in school as a condition of receiving assistance. The demonstration also allows teens who stay in school to keep the money they earn from part-time jobs, as well as any interest earned on savings.

Vermont

Vermont's "Family Independence Project" requires minor parents to live at home or in an adult-supervised setting and attend school. Minor parents may also be required to take parenting classes. Those who fail to comply face gradual loss of benefits. (Approved April 12, 1993)

States Requiring Minor Mothers to Live with a Parent, Guardian, or in an Adult Supervised Setting

Under current law, states have the option to require minor mothers to live at home -- 21 states have such requirements, 10 initiated under Clinton Administration-approved waivers. Today, the Clinton Administration is urging all 50 states to put minor mothers on the right track by requiring minor parents to live at home or with a responsible adult in order to receive assistance.

STATES WITH SCHOOL ATTENDANCE/PERFORMANCE REQUIREMENTS

The following states link benefits to either school attendance or performance or both.

Waiver approved under Clinton Administration (23 states)

Arizona
Arkansas
California
Colorado
Delaware
Florida
Indiana
Iowa
Louisiana
Massachusetts
Mississippi
Montana
Nebraska
New York
North Carolina
Ohio
Oklahoma
Oregon
South Carolina
Texas
Vermont
Virginia
Wyoming

Waiver approved under previous administrations (3 states)

Illinois
Maryland
Wisconsin

**STATES REQUIRING MINOR MOTHERS TO LIVE WITH A PARENT, GUARDIAN, OR
IN AN ADULT SUPERVISED SETTING**

Under the Family Support Act of 1988, states have the option to require minor mothers to live with a parent, guardian or in a supervised setting to receive benefits. States need only to amend their state plans to implement this provision, no waiver is required. Nevertheless, some states have used the waiver process for the requirement.

States with minor parent provision under waivers granted by the Clinton Administration (11 states)

Arizona
Connecticut
Delaware
Iowa
Maryland
Massachusetts
Missouri
North Carolina
Oregon
Vermont
Virginia

States with optional minor parent provision under amended state plans*
(10 states)

Georgia
Indiana
Maine
Michigan
Mississippi
New Hampshire
New York
Oklahoma
Tennessee
Wisconsin

* The following territories also have an optional minor parent provision: Guam, Puerto Rico, Virgin Islands



PERSONAL RESPONSIBILITY PLAN

Please Read the Following Explanations of Your Personal Responsibilities Carefully

This Personal Responsibility Plan is an action plan that includes objectives and activities designed to promote your long-term self-sufficiency.

MINOR PARENT LIVING ARRANGEMENTS

- If I am an unmarried minor parent under the age of 18, caring for a dependent child, I will reside in the household of a parent, legal guardian, or other adult relative, or in an adult-supervised supportive living arrangement in order to receive AFDC.
- You may be exempt from this requirement if: (1) you have no living parent or legal guardian whose whereabouts is known; (2) no living parent or legal guardian allows you to live in his or her home; (3) you lived apart from your own parent or legal guardian for a period of at least 1 year before either the birth of the dependent child or the parent's having made application for AFDC; (4) your physical or emotional health would be jeopardized if you reside in the same residence with your parent or legal guardian; (5) there is otherwise good cause for you and your dependent child to receive assistance while living apart from your parent, legal guardian, or other adult relative, or an adult-supervised supportive living arrangement.

COMPULSORY SCHOOL ATTENDANCE

- If I am a custodial parent under 20 years of age and have not completed high school (or its equivalent) and am not exempt from participation, I will participate in educational activities directed toward the attainment of a high school diploma or its equivalent.
- If I am 18 or 19, I may participate in training or work activities, instead of educational activities.

CHILD SUPPORT

- I agree to cooperate with child support requirements to establish paternity and help obtain child support for my child(ren).

OTHER

- I will attend parenting and life skills classes, if requested to do so.
- I will not voluntarily quit a job without good cause.

I acknowledge by my signature that I reviewed, understand, and received a copy of my Personal Responsibility Plan. I agree to fulfill the requirements as outlined in the Plan and acknowledge that my grant may be reduced for noncompliance with the terms of this Plan.

Signature of Parent

Date

Signature of Caretaker (if different from parent)

Date

AGENCY RESPONSIBILITIES

The Agency will help you set up a plan for becoming self-supporting and provide the services necessary to allow you to move toward independence, including, but not limited to: education, employment and training programs; support services, such as child care and transportation; and help in establishing paternity, getting a support order and collecting child support.

Signature of Agency Representative

Date



PERSONAL RESPONSIBILITY PLAN

Please Read the Following Explanations of Your Personal Responsibilities Carefully

This Personal Responsibility Plan is an action plan that includes objectives and activities designed to promote your long-term self-sufficiency.

MINOR PARENT LIVING ARRANGEMENTS

- If I am an unmarried minor parent under the age of 18, caring for a dependent child, I will reside in the household of a parent, legal guardian, or other adult relative, or in an adult-supervised supportive living arrangement in order to receive AFDC.
- You may be exempt from this requirement if: (1) you have no living parent or legal guardian whose whereabouts is known; (2) no living parent or legal guardian allows you to live in his or her home; (3) you lived apart from your own parent or legal guardian for a period of at least 1 year before either the birth of the dependent child or the parent's having made application for AFDC; (4) your physical or emotional health would be jeopardized if you reside in the same residence with your parent or legal guardian; (5) there is otherwise good cause for you and your dependent child to receive assistance while living apart from your parent, legal guardian, or other adult relative, or an adult-supervised supportive living arrangement.

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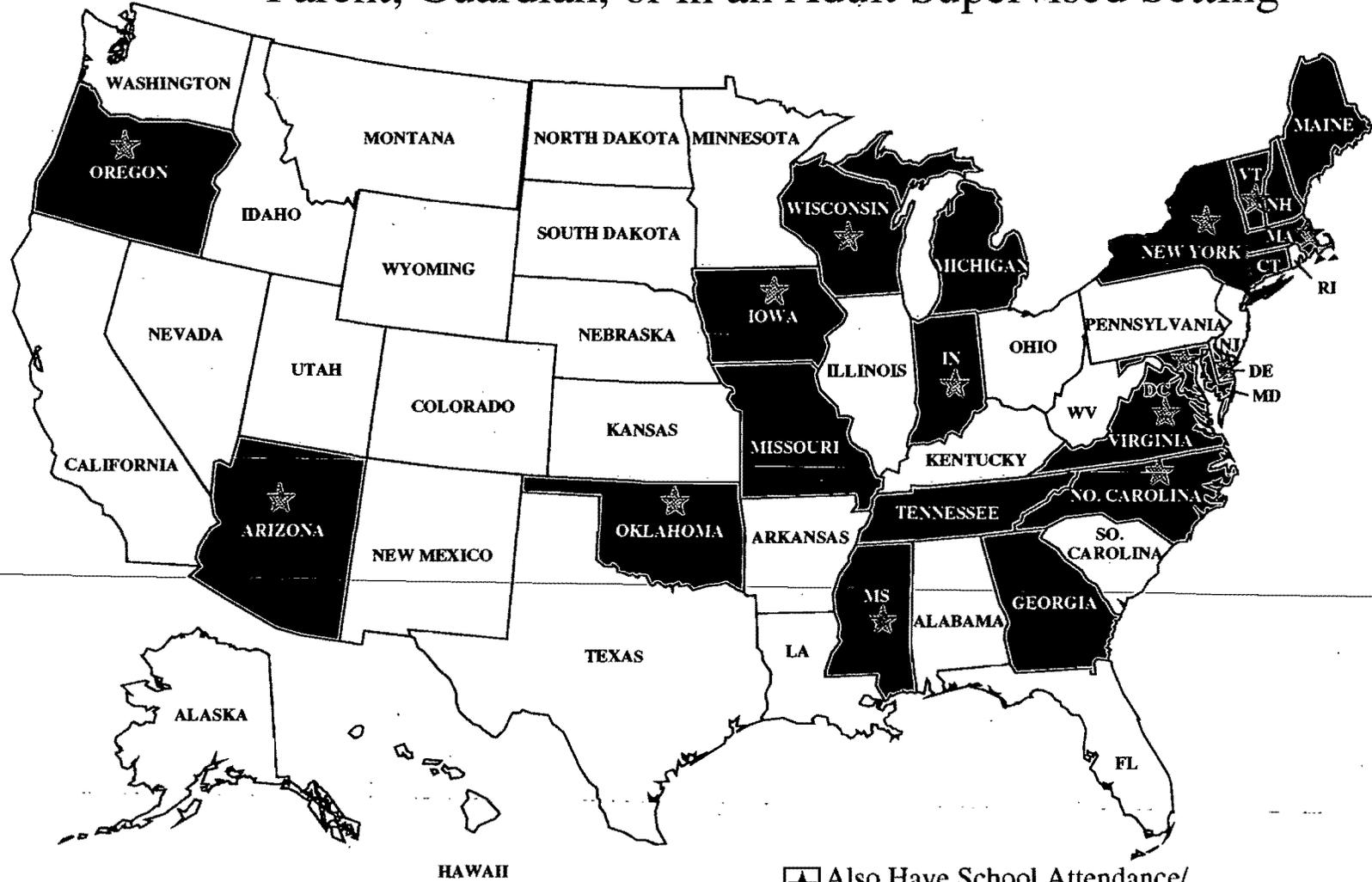
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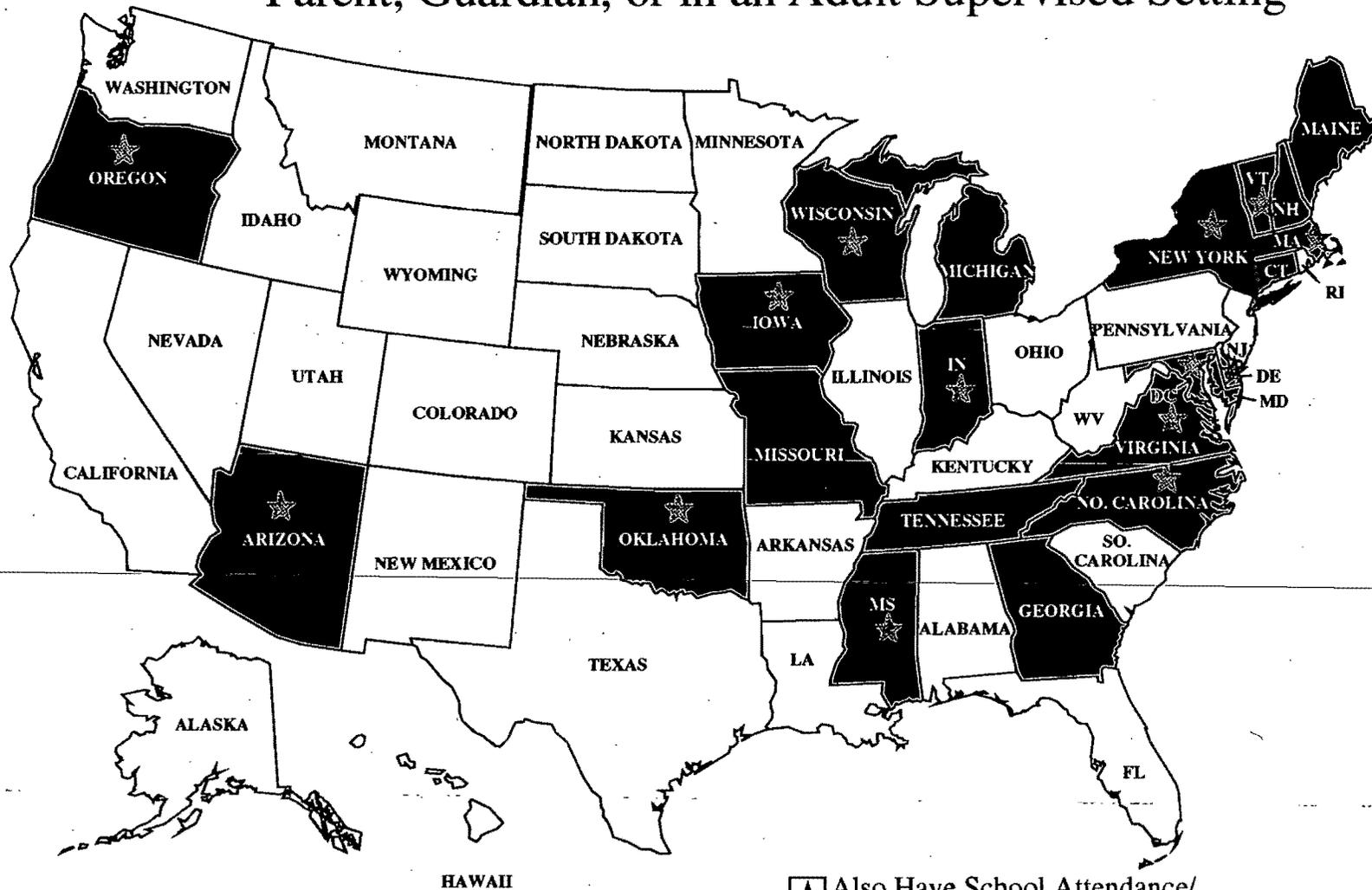
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States Requiring Teen Mothers to Live With Parent, Guardian, or in an Adult Supervised Setting

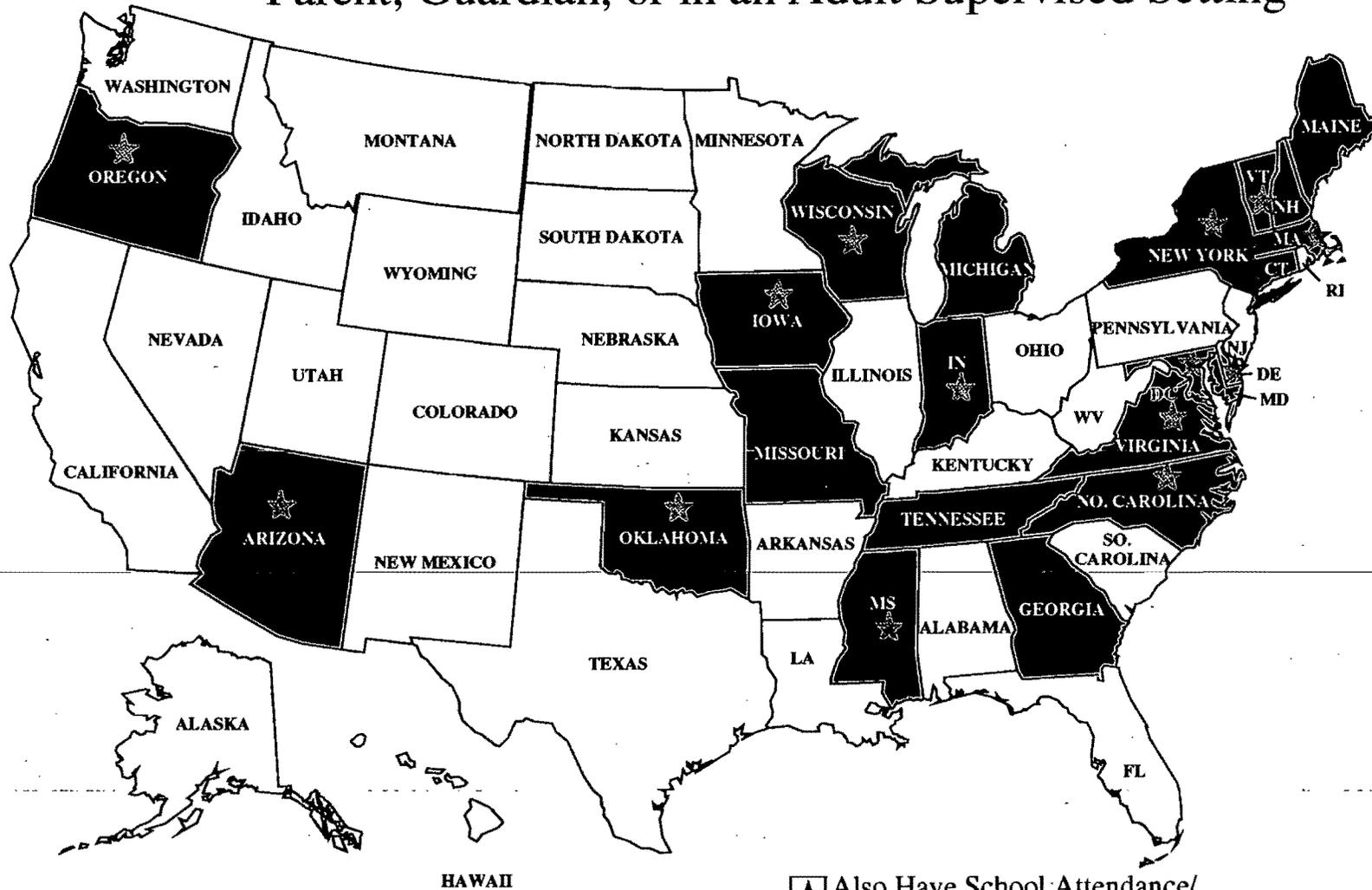


★ Also Have School Attendance/
Performance Requirements

States Requiring Teen Mothers to Live With Parent, Guardian, or in an Adult Supervised Setting



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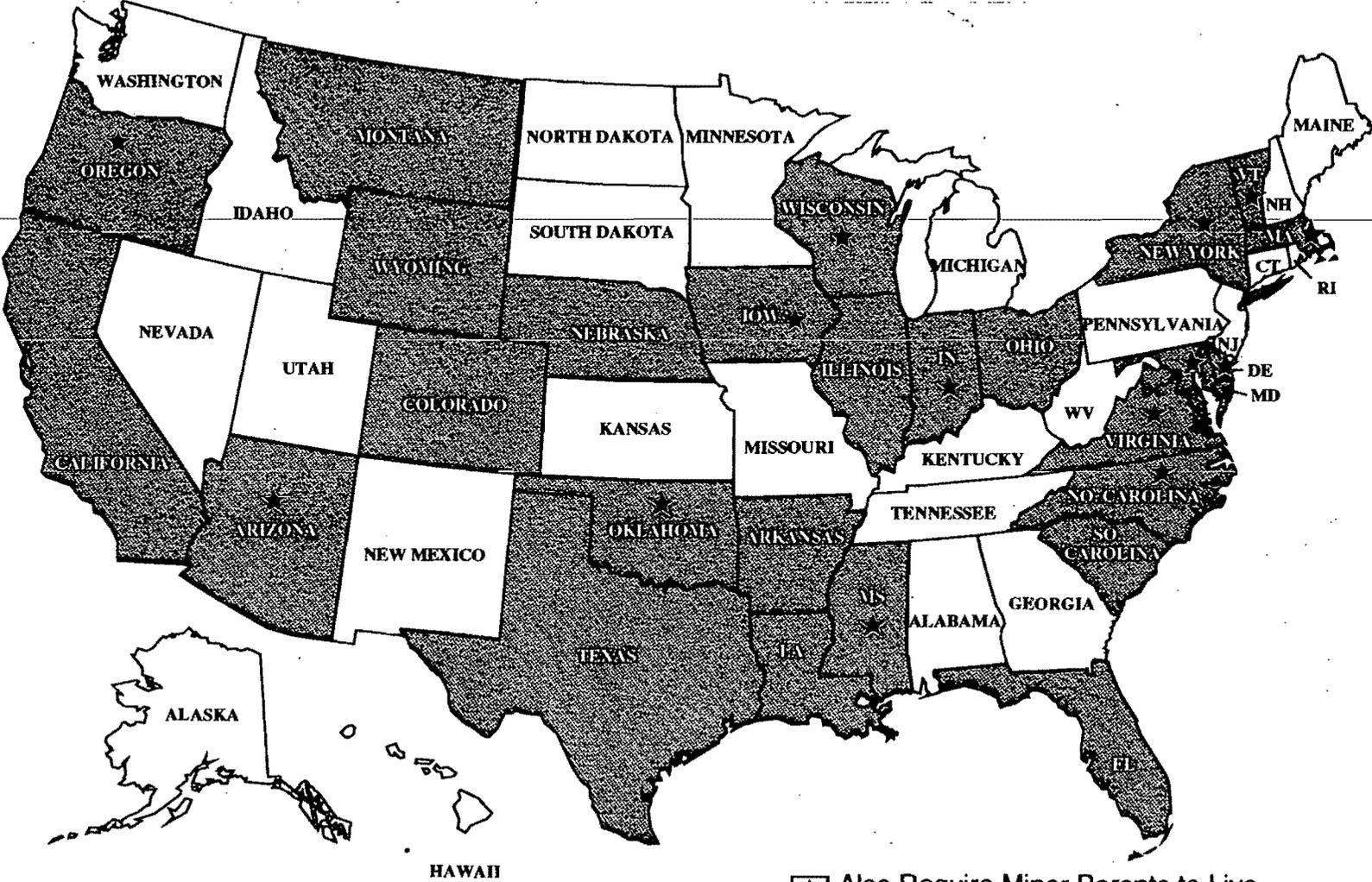


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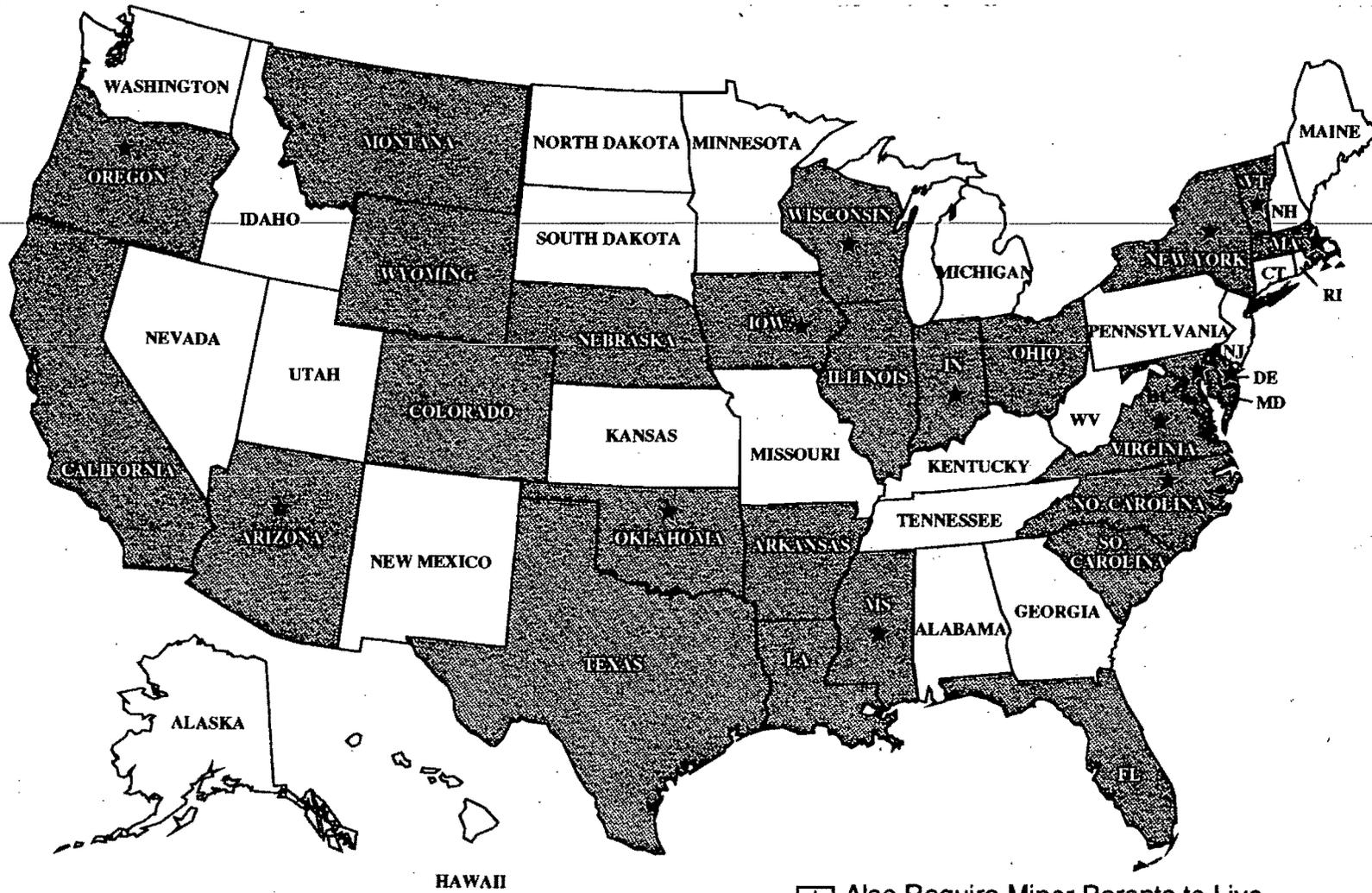
★ Also Have School Attendance/
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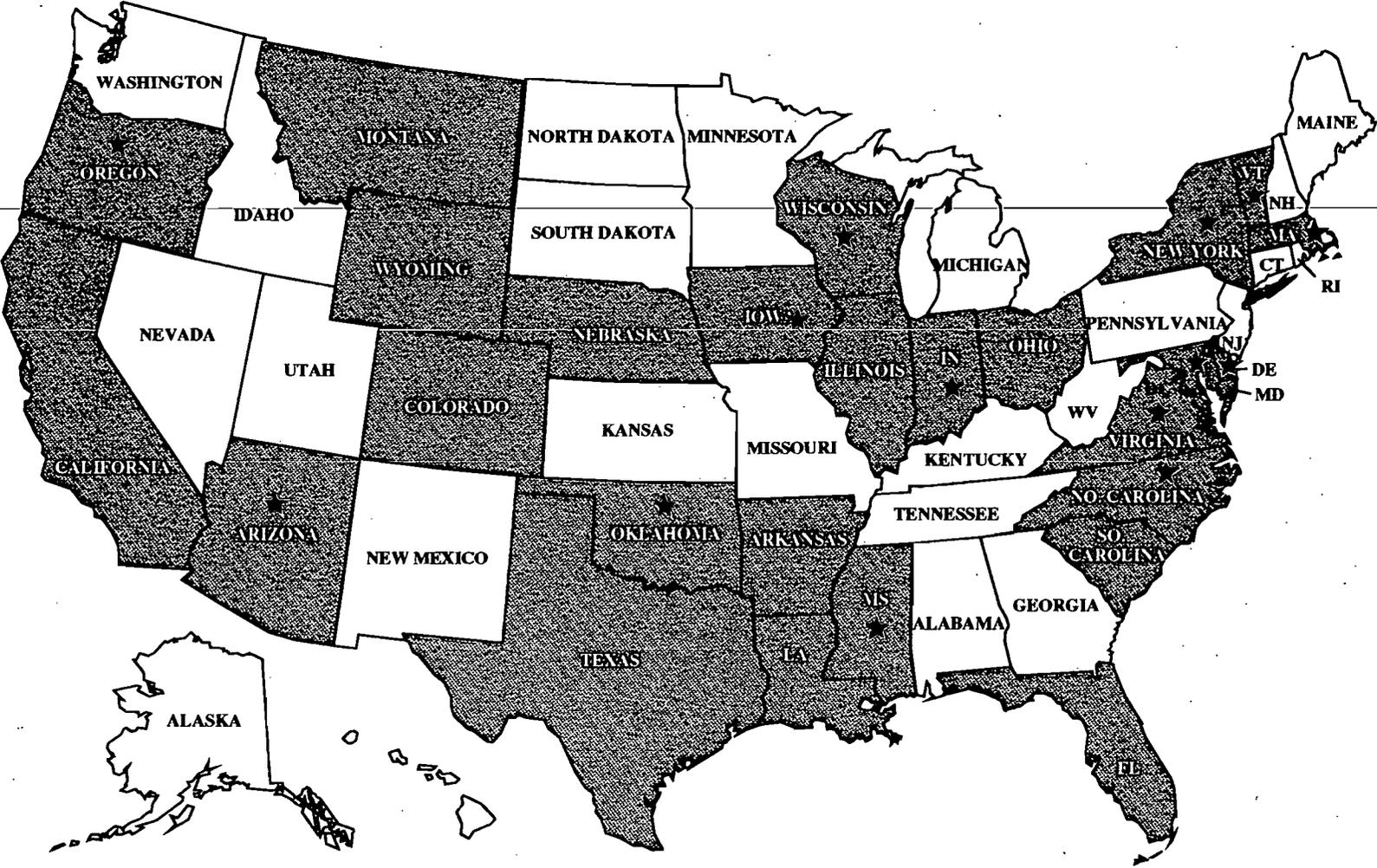
★ Also Require Minor Parents to Live in Home of Parents/Guardians

States With School Attendance/Performance Requirements



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States With School Attendance/Performance Requirements



★ Also Require Minor Parents to Live in Home of Parents/Guardians

EMBARGOED UNTIL MAY 1, 1996
Stories may appear or be broadcast on that day.

The contents of this Executive Summary are for discussion only and are not for quotation, publication, or distribution until May 1, 1996.



EXECUTIVE SUMMARY

Three-Year Impacts of Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents

**Ohio's Learning, Earning,
and Parenting Program**

**David Long
Judith M. Gueron
Robert G. Wood
Rebecca Fisher
Veronica Fellerath**

1996

**Manpower Demonstration
Research Corporation**

MDRC

ACKNOWLEDGMENTS

This report could not have been completed without the efforts of many people. We would like to thank the staff from the County Departments of Human Services in the counties studied for this report, who have provided support throughout the project. We particularly appreciate the help of the LEAP Coordinators in these counties: Len Tetlak (Cuyahoga County), Karen Pfahl (Franklin County), Phyllis Brown (Hamilton County), Ron Diamond (Lawrence County), Sue Ehrmin (Lucas County), Larry Leach (Muskingum County), and Cheryl McAllister (Stark County).

We also thank staff from the five school districts covered in this report: Bernard Barbadora and Donald Dibowski (Cincinnati Public Schools); Judith Crocker, Ivan Kozman, and Debbie Gilbert (Cleveland Public Schools); Lou Mazzoli, Linda Nolan, Fritz McKay, and Yolanda Freeze (Columbus Public Schools); Jalna MacLaren, Kent Babb, and Jamesetta Mickens (Toledo Public Schools); and Hayward Sims (East Cleveland Public Schools). David Fischer, Richard Armanini, and Jack Gleason at the Ohio Department of Education provided assistance with GED testing data.

In the Ohio Department of Human Services, Joel Rabb and Jackie Martin have provided valuable assistance on many aspects of the project, as well as comments and suggestions on an earlier draft of the report. Mary Harris, the former Deputy Director of Family Support and JOBS, and Loretta Adams, the current Deputy Director of Family Assistance and Child Support, have overseen the project, and Jane Frye has been helpful on many occasions.

At MDRC, numerous staff were important to the report. Robert Granger gave his guidance on the analysis and provided many helpful suggestions on earlier report drafts. Hans Bos and Daniel Friedlander offered suggestions on the impact analysis, and Robert Ivry, who was important to the development of this project, reviewed earlier report drafts. Janet Quint contributed material to the report's first chapter. Stacey Fox, Kim Kovath, and Karen Trister provided research assistance. Anita Kraus processed school records data. Judith Greissman edited the report, assisted by Betsy Dossett, and Patt Pontevolle and Stephanie Cowell did the word processing.

We are also grateful to Fred Licari and staff at Temple University's Institute for Social Research, which conducted and compiled the survey interviews on which much of this report is based. The Institute's work was managed by Adria Gallup-Black at MDRC.

Finally, we thank members of MDRC's advisory Committee on Education and Adolescent Parent Studies, which is chaired by Gilbert Steiner and also includes Jacqueline Eccles, Frank Furstenberg, Jr., Lorraine Klerman, Richard Murnane, Judith Musick, Robert Peterkin, Robert Slavin, and William Julius Wilson. Members of the Committee provided very helpful suggestions on the analysis and an extremely valuable review of an early draft of the report.

The Authors

to school. Through this, the program seeks to foster school completion and, ultimately, increase employment and self-sufficiency and reduce reliance on public assistance.

This is the fourth in a series of reports from a 12-county study, which MDRC is conducting for the Ohio Department of Human Services. The first report showed that, after the expected start-up problems, LEAP proved operationally feasible: Schools and the welfare department implemented the reporting and data systems needed to operate the bonus and grant reduction system and manage the program. The second report found that LEAP prevented some in-school teens from dropping out and brought some dropouts back to school. The third report, covering only Cleveland, showed that the increased school attendance translated into a significant increase in school completion (primarily high school graduation but also receipt of a GED, a high school equivalency certificate) for teens who *were enrolled* in school when they entered the program, but little if any gain for teens who *had dropped out* of school prior to their exposure to LEAP. The latter group often experienced repeated grant reductions (sanctions) for failing to return to school or attend regularly.

This report looks at LEAP's effects on school completion, employment, welfare receipt, and other outcomes for a subsample of teens in 7 of the 12 counties three years after they were determined to be eligible for LEAP. As in the last report, the results differ sharply for teens who were and were not enrolled in school when they were found eligible for LEAP.

- For initially enrolled teens, LEAP increased school completion (although primarily GED completion) by almost 20 percent and increased employment by over 40 percent.
- For dropouts, there was no increase in school completion or employment, despite high sanctioning.
- Overall, fewer teens remained on welfare, although the receipt rates were still very high.
- In Cleveland, but not in the other large cities, LEAP substantially increased high school graduation rates, suggesting the importance of both providing special services to keep teens in school and setting restrictions on leaving high school to enter a GED program.

These new findings show that LEAP's incentives clearly mattered: More young people completed school (or were still enrolled), went to work, and/or left welfare. The greater success in Cleveland, moreover, suggests some strategies to improve on these results. But the report also reminds us that there are no easy answers. For the tougher group — those who were initially out of school — LEAP produced no gains and repeated sanctions. Overall, too many teens returned to school

only to leave again without getting a diploma. And too many remained on welfare and not employed.

Earlier LEAP reports found that a troublingly large number of teens described their schools as dangerous and disorderly places where learning was difficult. This suggests that, for LEAP to reach its full potential, something will have to change in the public schools, and not only in the welfare department. This challenge takes on new urgency, since LEAP-like requirements were mandated in the welfare reform legislation that passed Congress in 1995.

This report does not tell the complete LEAP story. The final report, available in about a year, will track a much larger sample of teens for a longer time in all 12 counties. While long follow-up is always informative, the youth of many of the LEAP teens makes this essential to reaching a final conclusion on the program's achievements.

Multi-year evaluations like this one require the sustained commitment of staff in the agencies that run the programs and that fund the study. This study benefited from an unusual public-private partnership including staff in the 12 Ohio counties, the state Department of Human Services, and a group of additional funders. This report's publication is a welcome opportunity to express our appreciation for their support.

Judith M. Gueron
President

¹MDRC's previous three reports on LEAP are: Dan Bloom, Hilary Kopp, David Long, and Denise Polit, *LEAP: Implementing a Welfare Initiative to Improve School Attendance Among Teenage Parents* (1991); Dan Bloom, Veronica Fellerath, David Long, and Robert G. Wood, *LEAP: Interim Findings on a Welfare Initiative to Improve School Attendance Among Teenage Parents* (1993); and David Long, Robert G. Wood, and Hilary Kopp, *LEAP: The Educational Effects of LEAP and Enhanced Services in Cleveland* (1994).

²Sample members are referred to as "teens" in this report, but at the three-year point, most were no longer teenagers.

conservative estimates of LEAP's effectiveness as a mature program.

The report assesses the program's effects on high school graduation and GED receipt, and on teens' college enrollment, employment and earnings, welfare receipt, and other outcomes. In part because many of the teens were in school or a GED program at the three-year follow-up point, the fifth and final report will use a longer follow-up period — four and a half years — to capture the program's longer-term results. Scheduled for publication in 1997, it will also cover all 12 study counties and will compare LEAP's benefits and costs.

LEAP is directed to a critically important segment of the welfare population, can be operated on a large scale at a relatively low cost, and does not require establishing new agencies or organizations. Thus, policymakers outside Ohio may find the LEAP model an attractive option if it is found to be effective.

An Overview of the Findings

LEAP's incentives were intended to produce a chain of effects on teens' behavior, starting with increased school enrollment and attendance and culminating in reduced welfare dependence and increased self-sufficiency. The program's effectiveness is being evaluated using a research design in which all teens in the study counties who were determined to be eligible for LEAP during its first two years of operation were, at the same time, assigned at random to either a program group (subject to LEAP) or a control group (not subject to LEAP). The measured average differences between the two groups' outcomes over time (e.g., their differences in rates of high school graduation or GED attainment, employment, or welfare receipt) are the observed results (or "impacts") of LEAP. Thus far, LEAP has been successful in improving some outcomes in the impact chain; its success has been concentrated among teens who had *not* dropped out of school at the time they were found eligible for the program.

Virtually all program group members were reached by LEAP's incentive structure, with 93 percent qualifying for at least one bonus or "sanction" (grant reduction) during their first 18 months in the program. Overall, the young mothers responded strongly to the incentives: The program had large impacts on school enrollment and attendance, as described in previous reports. At the three-year point examined in this report, LEAP's impacts on subsequent outcomes were both smaller and sometimes less consistent across locations and groups within the LEAP population. There were clear impacts on school progress (completion of the ninth, tenth, and eleventh grades); however, LEAP increased high school graduation and GED receipt in some communities, but not in others. LEAP teens — possibly as a result of spending more time in school (even without graduating) and attaining GEDs — were more likely to be working and less likely to be on welfare: At the three-year follow-up point, the program group's employment rate (33 percent) was higher than the control group's (28 percent), and a larger percentage had left the welfare rolls (17 percent compared to 12 percent).

LEAP's success varied greatly for the two major groups within the LEAP population. For teens who were *enrolled* in high school or a GED program when they became eligible for LEAP (referred to as the "initially enrolled" teens), the program had significant effects on a combined measure of high school graduation or GED receipt (primarily GED receipt) and on employment. High school graduation/GED receipt rose by close to 20 percent: 46 percent of initially enrolled teens in the program group received a high school diploma or GED within three years, compared to 39 percent of the control group. (The impact was even larger for younger teens who started LEAP at or close

to their age-for-grade level.) At the three-year point, 66 percent of the initially enrolled teens had graduated or received a GED or were in some type of school program (compared to 57 percent of the control group), although 83 percent were still on welfare. The initially enrolled teens' employment rates increased by over 40 percent: 39 percent of the program group were working (mostly part time), compared to 27 percent of the control group. This employment increase will be very impressive if it holds up for the final report's longer follow-up period and much larger sample.

In contrast, although LEAP induced many *dropouts* to return to school or (more commonly) to enter a GED program, it did not have an appreciable effect on their rates of high school graduation/GED receipt or employment. The program did have some success working with dropouts who were 17 or younger, most of whom had been out of school for less than a year. But it was ineffective in altering the school behavior of older dropouts, who outnumber their younger counterparts. Moreover, in its largely futile effort to change their life course, the program imposed numerous sanctions on many dropouts, who reported diminished spending on essentials for their children as well as themselves. At the three-year point, only a third of these teens had graduated from high school, had received a GED, or were in school or a GED program, and 84 percent remained on welfare.

LEAP's impacts also varied across the study communities, with the most striking difference being between the results in Cleveland — where there were more services to keep teens in school and more restrictions on leaving high school to enter a GED program — and the other areas.³ First, in Cleveland (where one in six LEAP-eligible teen mothers in Ohio lived), the program's effect on high school graduation/GED receipt was significantly greater than in other large cities. Second, the Cleveland impact, while following the statewide pattern of greater success for initially enrolled teens, was driven mainly by an increase (relative to the control group) in high school graduations rather than GEDs (which was the case in most other locations). Third, the increased rate of high school graduation in Cleveland was followed by a significant increase in college enrollment, a link in the impact chain that was not observed elsewhere. However, at the three-year point, possibly because more teens were enrolled in college, LEAP did not appear to generate larger employment gains in Cleveland, or remove more teens from the welfare rolls, than it did in other communities. Particularly if the longer-term follow-up shows that Cleveland's greater education gains are translating into substantial impacts on employment and welfare receipt, the differences in program implementation across the counties will offer important lessons on strategies to improve LEAP's overall effectiveness.

LEAP uses welfare incentives to try to change teen mothers' school behavior, but it does not do anything to reform the schools, where a large number of LEAP teens reported on a survey that they did not feel safe, experienced frequent class disruptions by other students, and were "given a hard time about being a parent" by both students and teachers. This report shows that financial incentives can make a difference: Teens responded, and this produced some employment and welfare gains. But the limited size of the gains points to how difficult it is to change behavior. Many teen mothers who returned to high school did not graduate, instead dropping out and sometimes choosing the easier GED route. The report also points to a policy trade-off: LEAP's gains for initially enrolled youth came

³Except for the findings on bonus and sanction rates, all Cleveland results presented in this report cover East Cleveland as well as Cleveland. The special services and restrictions (it is school district policy to strictly enforce the Ohio rule that students under age 18 cannot leave high school to attend a GED program) apply only to Cleveland.

at the cost of repeated sanctions for the older dropouts and their children. Policymakers should consider this trade-off, and the potential for improved outcomes suggested by the Cleveland findings, in assessing the LEAP experience.

Data Sources for This Report

This report's analysis of program operations — i.e., the application of LEAP's incentive structure — uses bonus and sanction data obtained from LEAP casefiles (including those for some teens too old to have had the full LEAP experience) from Ohio's three largest counties: Cuyahoga (Cleveland), Franklin (Columbus), and Hamilton (Cincinnati). The impact estimates that are the report's main focus come from comparing the experience of the program and control groups in seven counties: Cuyahoga, Franklin, Hamilton, Lawrence, Lucas, Muskingum, and Stark.

Most of the data for the report are from a survey administered approximately three years after random assignment to 913 teens (446 in the program group and 467 in the control group), who are a random subsample of all the teens in the seven counties who were randomly assigned between mid-August 1990 and September 1991 and who were young enough to have been exposed to the full LEAP treatment. Additional data on school outcomes are from administrative records for all 4,325 sample members who lived in five of the largest urban school districts in the seven counties (Cincinnati, Cleveland, East Cleveland, Columbus, and Toledo), were randomly assigned between July 1989 (when random assignment began) and June 1991, and were young enough to have received the full LEAP treatment.

The Teens' School Status and Age as a Context for the Findings

It is important to keep in mind the school status and age of the teens when they first became eligible for LEAP and the limited three-year period covered by this report's follow-up. As discussed above, all LEAP teens can be classified into two groups: those who were already enrolled in high school or a GED program when they became eligible for LEAP (initially enrolled teens) and those who were not enrolled at the time (dropouts). For enrolled teens, LEAP's job is to keep them in school and attending regularly until they receive their diploma or GED. Presumably this job is easier for teens who are at (or close to) their age-for-grade level than for teens who are enrolled but have fallen a grade or more behind their peers.

The program's task with the dropouts is different: to induce teens to return to high school or enter a GED program and then keep them there until they eventually graduate or pass the GED test. For most dropouts, this requires a major change in their lives (perhaps less so for those who have been out of school a short time). Dropouts also face more barriers to succeeding (e.g., on average, they have more children). LEAP's task is especially formidable with older dropouts who have been out of school a long time.

In terms of age at random assignment, 13 percent of the teens in the survey sample were 15 or under; 44 percent were 16 or 17; and 43 percent were 18 or 19. Thus, for example, three years later:

- A teen who was 16 and in school but behind age-for-grade at random

assignment might still be in high school, not working, and on welfare.

- A teen who was 17 and at age-for-grade at random assignment might have completed high school, gone to community college, and still be on welfare.
- A dropout who was 17 at random assignment might have subsequently received a GED, gone to work, and left welfare.
- A dropout who was 18 might have been in and out of school, frequently sanctioned, and remain on welfare.

As the first two examples illustrate, it can easily take more than three years for LEAP's impact chain to take shape, even if teens respond to the LEAP treatment exactly as intended (it takes even longer for teens who start LEAP at age 15 or younger). As a result, it is not possible to determine, with three years of data, whether or not LEAP will achieve its full chain of effects on the teens' behavior.

Findings on Bonuses and Sanctions

- County LEAP programs experienced difficulties in implementing LEAP's incentive structure during the program's first two to three years of operation, particularly in urban counties, but have efficiently carried out bonuses and sanctions since then.

As discussed in detail in the 1993 report and summarized in this one, all seven counties covered in the present report successfully implemented LEAP's incentive structure. Program operations improved over time, which meant that most teens were exposed to a more efficient and predictable LEAP program during the 1991-92 school year than the one they faced in the prior two years. The key was full implementation of a sophisticated computer system that made tracking teens easier and carrying out bonuses and sanctions largely automatic.

- Almost all eligible teens (93 percent) were touched by LEAP's incentives, with 75 percent earning at least one bonus and 56 percent qualifying for at least one sanction.

Fully 93 percent of teens earned at least one bonus or sanction, with the average teen qualifying for six grant adjustments (3.5 bonus payments and 2.8 sanctions) during her first 18 months in LEAP. During this 18-month period, there were more bonuses than sanctions: 37 percent of teens earned only bonuses; 18 percent qualified for only sanctions; and 38 percent earned at least one bonus and one sanction. In other words, 75 percent of teens earned at least one bonus and 56 percent qualified for at least one sanction. As time passed and the teens got older, those who were still eligible for LEAP received many more sanctions than bonuses, probably because teens who had graduated or received a GED by month 18 (generally cooperative teens, who earned frequent bonuses) were no longer subject to LEAP, leaving a higher proportion of frequently sanctioned teens still subject to the program.

- Bonus and sanction rates were strikingly different for teens who were enrolled in school when they became eligible for LEAP and teens who were not.

Based on Cleveland data covering most teens' entire period of eligibility for LEAP, bonus rates were higher, and sanction rates much lower, for the initially enrolled teens. Less than two-thirds of them were ever referred for a sanction, and only 4 percent were referred for nine or more sanctions and no bonuses. In contrast, more than three-quarters of the dropouts qualified for at least one sanction, and 22 percent qualified for nine or more sanctions and no bonuses.

- The majority of teens with multiple sanctions reported diminished spending on essentials for their families, especially clothing and food. Most teens with multiple bonus payments reported spending a large share of the additional money on their children.

Teens who were sanctioned at least four times reported in the three-year LEAP survey that the resulting welfare grant reductions had a material effect on their families: 58 percent said that their families had fewer essentials (most often clothing, food, and medicine) because of the grant reductions. Moreover, the sanctions reportedly affected the children at least as much as their teenage parents. Teens replaced part of the income they lost to sanctions by borrowing money (usually from their parents), applying for other forms of public assistance (most frequently Food Stamps), and seeking additional child support. In addition, two-thirds of teens postponed paying bills, most often utilities bills or rent.

Among teens who received at least four bonus payments, close to 90 percent reported using the additional money on essentials, especially for their children. Almost a quarter also reported being able to pay for some "luxuries" such as new clothing and outings (e.g., to the movies or to the zoo) for their children. These teens also were better able to pay their bills and to save some money, which they said was later used to obtain special items for their children, buy household essentials, and cover unexpected emergencies.

Findings on High School Graduation and GED Receipt

Full Sample

- For the full sample of teens, LEAP substantially increased high school enrollment, attendance, and progress through the eleventh grade, but did not have a significant impact on high school graduation.

According to the three-year survey, LEAP increased completion of the ninth, tenth, and eleventh grades but had no overall impact on high school graduation. (See the top panel of Table 1.) LEAP teens' GED completion rate reached 11 percent by the end of three years, compared to 8 percent for the control group, a difference that also was not statistically significant.⁴ The school records data (not shown in Table 1) indicate a GED receipt impact of almost identical size which, probably because the sample was much larger, was statistically significant.

Also, an examination of school records data for about two-thirds of the teens (in five urban

⁴Statistical significance means that one can be highly confident that the difference was due to the program, rather than to statistical chance. In Table 1 and other tables in this report, one asterisk indicates a 90 percent probability that a measured difference was due to the program, and two or three asterisks indicate a 95 or 99 percent probability, respectively.

TABLE 1
LEAP's THREE-YEAR IMPACTS IN SEVEN COUNTIES FOR THE
SURVEY SAMPLE, BY SCHOOL ENROLLMENT SUBGROUP

Sample and Its Status 3 Years After Random Assignment	Program Group	Control Group	Difference
All teens			
Completed grade 11	50.0 %	45.4 %	4.6 *
Ever completed high school	22.9	23.5	-0.6
Ever completed GED	11.1	8.4	2.7
Ever completed high school or GED	34.0	31.9	2.1
Currently enrolled in high school or a GED program	17.5	14.5	3.0
Ever completed high school or GED, or currently enrolled in high school or a GED program	51.6	46.5	5.1 *
Ever employed in past 3 months	33.2	27.6	5.5 *
Employed in past 3 months and has a high school diploma or GED	15.8	12.8	3.0
Currently receiving AFDC	83.3	87.6	-4.3 *
Teens enrolled in school at random assignment			
Completed grade 11	60.6 %	58.1 %	2.5
Ever completed high school	35.6	34.2	1.4
Ever completed GED	10.0	4.4	5.6 **
Ever completed high school or GED	45.6	38.6	7.0 *
Currently enrolled in high school or a GED program	20.3	18.3	2.0
Ever completed high school or GED, or currently enrolled in high school or a GED program	65.9	56.9	9.0 **
Ever employed in past 3 months	38.9	27.4	11.5 ***
Employed in past 3 months and has a high school diploma or GED	22.6	14.5	8.1 **
Currently receiving AFDC	82.6	87.1	-4.6
Teens not enrolled in school at random assignment			
Completed grade 11	35.8 %	28.0 %	7.8 *
Ever completed high school	6.7	7.8	-1.1
Ever completed GED	12.0	14.3	-2.3
Ever completed high school or GED	18.6	22.1	-3.4
Currently enrolled in high school or a GED program	13.6	9.5	4.0
Ever completed high school or GED, or currently enrolled in high school or a GED program	32.2	31.6	0.6
Ever employed in past 3 months	26.3	26.5	-0.1
Employed in past 3 months and has a high school diploma or GED	7.1	9.3	-2.2
Currently receiving AFDC	83.6	89.1	-5.5

NOTES: "Completed GED" refers to passing the GED test.
 Estimates of the program-control group differences are regression-adjusted using ordinary least squares, controlling for pre-random assignment background characteristics of sample members.
 Rounding may cause slight discrepancies in calculating differences.
 A two-tailed t-test was applied to the difference between the program and control groups.
 Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent, and * = 10 percent.

school districts) who did not respond to the survey suggests that their impacts were larger than those based on survey respondents, indicating that the survey-based impact findings may be conservative.

- **Two-thirds of the teens did not receive a high school diploma or GED within the three-year follow-up period.**

A number of factors probably explain the low rate of school completion, including teens' feelings about school and their own future. In an earlier survey, a large proportion of LEAP teens reported that their schools were unsafe, inflexible, and unsupportive. Some also viewed their economic prospects as dim, with or without a diploma or GED (see Appendix Table D.1 in the full report). Other studies have pointed to the situational and emotional problems that can make school attendance difficult for teenage single mothers. Another factor is the teens' youth. By the end of follow-up, approximately 30 percent of LEAP teens in the survey sample were under 20, and 18 percent (compared to 15 percent of control group members) were in high school or a GED program. When school completion or enrollment are considered together, significantly more LEAP teens than control group members (52 percent compared to 47 percent) had graduated from high school, received a GED, or were in high school or a GED program (mostly the latter). Thus, it is possible that, with longer follow-up, LEAP's impacts on high school graduation and GED receipt may increase.

Finally, it is important to consider LEAP's high school graduation impacts in the context of the overall graduation rates in the same locales. According to official data, the high school graduation rates for all students in the five school districts where school records were collected ranged between 27 and 45 percent in 1994. Lifting the graduation rates of LEAP teens to such levels would be a noteworthy achievement.

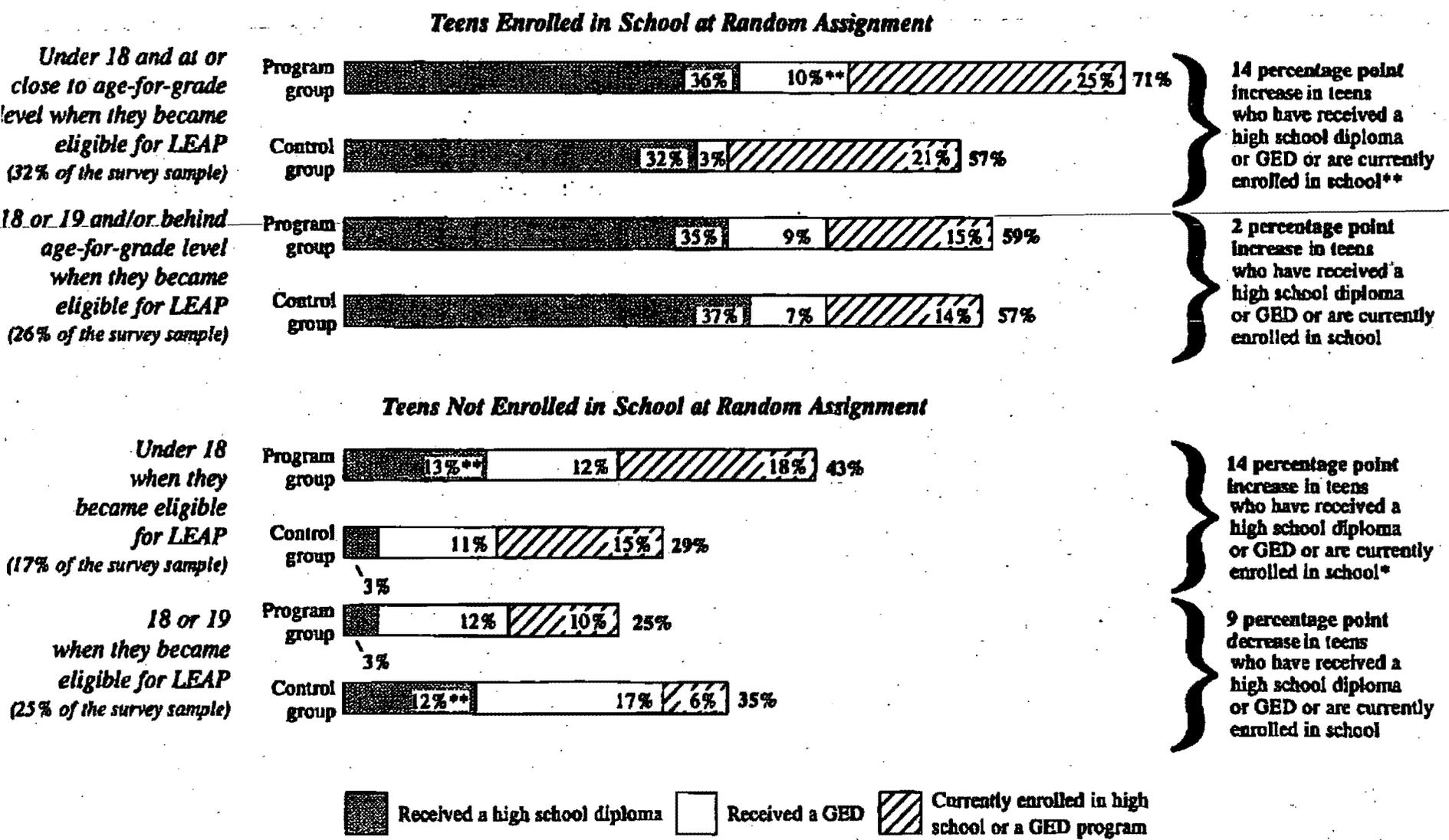
Subgroups

- **LEAP increased the combined high school/GED completion rate of teens who were enrolled in school when they became eligible for the program, with most of the impact being on GED receipt. Within this initially enrolled group, teens who had been under age 18 and at or close to their age-for-grade level received diplomas or GEDs, or were enrolled in school at the three-year point, to a far greater extent than those in the control group.**

Over half of the teens were enrolled in school or a GED program at the time they first became eligible for LEAP. The program induced more of these teens to stay in school than would have done so without LEAP and, as shown in the middle panel of Table 1, this generated a substantial increase in school completion: According to the seven-county survey, after three years 46 percent of LEAP teens completed school or a GED program, compared to 39 percent of control group teens. Most of this impact was attributable to GED completions. (This impact may increase over time, since, as shown in Table 1, 20 percent of LEAP teens were in high school or a GED program at the end of three years, a somewhat higher percentage than for the control group.)

Dividing enrolled teens into the subgroups shown in Figure 1 helps identify the teens for whom LEAP has been most and least effective, although the results are not conclusive, given the small size of the subgroup samples. The program's impact on high school/GED completion was particularly large for teens who were in school and had not turned age 18 or fallen substantially behind age-for-grade level at the time their LEAP eligibility was determined. As indicated by the top two bars in the figure, 46 percent of teens in the program group who had these characteristics received a diploma or

FIGURE 1
LEAP's THREE-YEAR IMPACTS ON SCHOOL OUTCOMES FOR SELECTED SUBGROUPS
WITHIN THE SURVEY SAMPLE



NOTES: "At or close to age-for-grade level" applies to 17-year olds who have completed at least the tenth grade, 16-year-olds who have completed the ninth grade, 15-year-olds who have completed at least the eighth grade, etc. All others are considered "behind age-for-grade level." Asterisks indicate that a difference is statistically significant (significance levels are indicated as *** = 1 percent, ** = 5 percent; * = 10 percent). Rounding may cause slight discrepancies in calculating differences.

GED within the three years, and another 25 percent were enrolled in high school or a GED program at the three-year point. Thus, 71 percent of the LEAP teens had obtained a high school diploma or GED, or were working on it, compared to only 57 percent of the control group — a large and statistically significant difference. The difference for other teens who were initially enrolled in school was much smaller and not statistically significant.

- **LEAP did not appear to increase school completion for teens who were dropouts at the time they became eligible for the program. Only one in five of these teens received a diploma or GED.**

As shown in the bottom panel of Table 1, the program did not increase school completion by dropouts, at least not by the end of the three-year period covered by the survey. Only 19 percent of program group members and 22 percent of control group members received a diploma or GED, a difference that was not statistically significant. It is noteworthy, however, that the program's impact on eleventh-grade completion was sizable (8 percentage points) and statistically significant. However, less than 20 percent of eleventh-grade completers went on to receive their diplomas within the three years, and LEAP had no effect on the proportion that did.

Once again, different subgroups among teens who were out of school when they were determined eligible for LEAP fared quite differently. As indicated in the bottom half of Figure 1 (and, again, remembering that this is based on small samples), LEAP appeared to be successful with dropouts who were under the age of 18 when they started the program. Thirteen percent of these LEAP teens graduated within three years — more than four times the rate for the control group — and 18 percent were enrolled in high school or a GED program at that point, compared to 15 percent of the control group. Thus, although the rates of GED receipt were similar, significantly more (43 percent) of the program group received a diploma or GED or were in school or a GED program at the three-year point, compared to only 29 percent of the control group. In contrast, the results for older dropouts were not at all encouraging.

- **LEAP's school impacts varied substantially across geographic areas. The program significantly increased high school graduations in Cleveland, produced no significant effects in Cincinnati, Columbus, and Toledo, and significantly increased GED receipt outside these large urban areas.**

Records data collected from five school districts in four urban areas indicate that LEAP's impact on high school and GED completion, as well as the composition of this impact, was not consistent across districts. The program effect in Cleveland was significantly larger than in Cincinnati, Columbus, and Toledo, and it included an increase in both high school diplomas and GEDs, neither of which increased in the other cities. The smaller survey sample, which covers more counties and non-urban areas, also shows that LEAP produced a significant increase in graduations in Cleveland (see Table 2), but in this sample there were also positive impacts on GED receipt outside Cleveland (due mainly to an increase outside these large urban areas).

Cleveland's success in increasing high school graduation was somewhat surprising: Cleveland has the largest AFDC and LEAP population in Ohio and had the most difficulty initially implementing the program. Its achievement appears to reflect three factors. First, partly through a special demonstration program, about half of the program group teens in Cleveland were offered a range of enhanced services (on-site day care, GRADS programs, on-site LEAP case managers, and teen-focused GED programs), which the 1994 report found increased the proportion of teens who, once attending,

TABLE 2

**LEAP's THREE-YEAR IMPACTS IN SEVEN COUNTIES FOR THE SURVEY SAMPLE,
 BY SCHOOL ENROLLMENT SUBGROUP AND AREA**

Sample and Its Status 3 Years After Random Assignment	Cleveland			All Seven Counties (Excluding Cleveland)		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference
All teens						
Ever completed high school	23.5 %	16.9 %	6.6 *	22.7 %	27.3 %	-4.6
Ever completed GED	6.6	9.7	-3.1	13.7	7.6	6.1 **
Ever completed high school or GED	30.1	26.6	3.5	36.4	34.9	1.5
Ever enrolled in college	14.2	11.4	2.8	11.2	12.4	-1.3
Ever employed in past 3 months	29.8	27.5	2.3	35.4	27.3	8.1 **
Currently receiving AFDC	85.8	90.9	-5.0	81.6	86.1	-4.5
Teens enrolled in school at random assignment						
Ever completed high school	33.3	24.3	9.0 *	37.3	39.9	-2.6
Ever completed GED	7.1	3.0	4.2	11.5	5.4	6.1 **
Ever completed high school or GED	40.5	27.2	13.2 **	48.8	45.3	3.5
Ever enrolled in college	20.6	11.8	8.8 *	17.3	18.6	-1.3
Ever employed in past 3 months	33.2	28.4	4.8	41.8	27.2	14.5 ***
Currently receiving AFDC	87.0	90.8	-3.8	79.9	84.9	-5.0

NOTES: "Completed GED" refers to passing the GED test.

Estimates of the program-control group differences are regression-adjusted using ordinary least squares, controlling for pre-random assignment background characteristics of sample members.

Rounding may cause slight discrepancies in calculating differences.

A two-tailed t-test was applied to the difference between the program and control groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent, and * = 10 percent.

eventually received a high school diploma or GED. Second, Cleveland rigorously enforced the state rule that students under the age of 18 are not allowed to leave high school to prepare for or take the GED test, while other districts, notably Columbus and Toledo, permitted many students to make this switch. Third, Cleveland teens might have been more willing to stay in school, partly because Cleveland has more alternative high schools than do the other districts.

Findings on Employment, Welfare Receipt, and College Enrollment

Full Sample

- Overall, LEAP increased the likelihood that teens would be working three years after they became eligible for the program and reduced the likelihood that they would be receiving AFDC benefits.

As shown in the top panel of Table 1, 33 percent of program group teens worked (mostly part time) during the three months immediately prior to the survey, compared to almost 28 percent of the control group, for an increase of 5.5 percentage points. This impact is comparable in magnitude to that of successful mandatory welfare-to-work programs targeted to adult welfare recipients.

The program also significantly reduced AFDC receipt, although this impact did not emerge quickly: LEAP had no effect on welfare receipt during the first year following random assignment, or even for the early months during the third year. However, by the time of the three-year survey, 83 percent of the program group were receiving AFDC, compared to 88 percent of the control group.

It will be important to determine whether the employment and welfare impacts continue to grow over time, given the youth of the sample and the fact that almost one-sixth of them were enrolled in school or a GED program at the end of the three-year follow-up.

Subgroups

- The employment impact was entirely attributable to the program's effect on teens who were initially enrolled in school. LEAP lifted their employment rate by over 40 percent, while it had no effect on dropouts.

For the survey sample, the employment gains parallel the education impacts: Both were centered on teens who were enrolled in school when they first became eligible for LEAP. As shown in Table 1, 39 percent of initially enrolled teens were working three years later, compared to only 27 percent of the control group, for an increase of 12 percentage points, or 42 percent. If this result holds up for the final report's longer follow-up period and much larger sample, it will be a substantial achievement, given especially the history of very limited program results for teen parents on welfare.

It appears that LEAP's impact on school completion by initially enrolled teens may have driven this large effect on employment. As shown in Table 1, the increase in the share of teens who had completed school *and* were working (8 percentage points) was two-thirds of the total increase in employment (12 percentage points). In contrast, LEAP had no impact on the employment of dropouts three years after they became eligible for LEAP. In other words, LEAP has produced impacts on several outcomes for in-school teens, but not for dropouts.

In terms of AFDC impacts, there was no similar subgroup variation. The measured reduction in receipt was similar for both enrolled teens and dropouts, although both fell just short of being

statistically significant (probably because of the small sample sizes).

- For initially enrolled teens in Cleveland, where LEAP increased high school graduations, it also increased college enrollment; however, at the three-year point, LEAP had not raised employment rates. In the seven counties as a whole (excluding Cleveland), LEAP increased GED attainment and substantially increased employment.

Given the superior high school completion findings in Cleveland, it is important to compare subsequent results there to those in other locations. For Cleveland teens who were enrolled in high school or a GED program at random assignment (see Table 2), LEAP produced a 9 percentage point increase in both the likelihood of receiving a high school diploma and the likelihood of enrolling in college, but no significant increase in the employment rate. In contrast, outside of Cleveland, there was no increase in high school diplomas or college enrollment, but there was a large, 15 percentage point increase in employment. The increased college enrollment may be one explanation for the lack of employment impacts in Cleveland for teens who were enrolled in school at random assignment.

As shown in Table 2, the GED receipt rate almost doubled outside Cleveland, and the employment rate increased from 27 percent to 35 percent, with both impacts being driven by the results for the initially enrolled teens (as shown in the bottom panel of Table 2). This is new evidence that GED certificates earned by teen parents may have positive labor market effects.

Conclusion

Results to date from the LEAP evaluation show that welfare incentives (coupled with case management and support services) can change behavior and ultimately reduce AFDC receipt, but that change is difficult and the incentives may produce some perverse effects. For teens who were in school or a GED program when they became subject to LEAP's mandates, the program substantially increased school attendance (showing that teens are able to combine school and parenthood), school or GED completion, and subsequent employment. But it produced a higher rate of GED receipt rather than high school graduation. For teens who were out of school when they became eligible for LEAP, the program's incentives were clearly not enough (especially for the older teens) to increase the very low rate of school completion or to increase employment. LEAP's multiple sanctions, however, affected poor families.

The findings suggest that LEAP can produce promising outcomes, particularly when it gets to teen parents while they are young and still in school. As currently operated, LEAP reaches teens sooner than it did during the period covered by this study. This is because the eligibility of teens for LEAP is now determined automatically by computer as soon as a teen parent opens a welfare case or a teenager on an existing welfare case becomes pregnant with (or gives birth to) her first child; and because program actions, once eligibility is established, are swifter than they were during the study period. Thus, LEAP may be more effective as an ongoing program than the results indicate.

However, the findings also point to the limits on what incentives alone can do to increase high school graduation. LEAP gets more young people to the schoolhouse door, but too many subsequently walk back out before getting a diploma. The greater success in Cleveland suggests some strategies for improving on these results. But more far-reaching changes in the teens' school experience will likely be needed if LEAP is to realize its full potential. The study's final report will explore these issues further, present LEAP's later impacts for teens in all 12 evaluation counties, and compare the program's benefits and costs.

The Manpower Demonstration Research Corporation's evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program is funded in part by a contract with the Ohio Department of Human Services and in part by the Ford Foundation, the Cleveland Foundation, BP America, the Treu-Mart Fund, the George Gund Foundation, the Procter & Gamble Fund, and the U.S. Department of Health and Human Services. This is the fourth report in the evaluation.

Dissemination of MDRC publications is also supported by MDRC's Public Policy Outreach funders: the Ford Foundation, the Ambrose Monell Foundation, the Alcoa Foundation, and the James Irvine Foundation.

The findings and conclusions presented in this report do not necessarily represent the official positions or policies of the funders.

Library of Congress Cataloging-in-Publication Data

LEAP : three-year impacts of Ohio's welfare initiative to improve school attendance among teenage parents : Ohio's Learning, Earning, and Parenting Program : executive summary / David Long ... (et al.).

p. cm.

Includes bibliographical references (p.).

1. Learning, Earning, and Parenting Program (Ohio). 2. High school dropouts - Services for - Ohio. 3. Teenage mothers - Ohio. 4. Teenage parents - Ohio. 5. School attendance - Ohio. 6. School enrollment - Ohio. 7. Welfare recipients - Ohio. I. Long, David (David L.). II. Learning, Earning, and Parenting Program (Ohio). III. Manpower Demonstration Research Corporation.

LC146.7.03L457 1996
373.967 - dc20

96-4056
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EXECUTIVE SUMMARY

This report presents the latest findings on the effectiveness of Ohio's Learning, Earning, and Parenting (LEAP) Program, a statewide welfare initiative that uses financial incentives and penalties to promote school attendance by pregnant and parenting teenagers on welfare, the group most likely to become long-term welfare recipients. LEAP requires these teens to stay in school and attend regularly or, if they have dropped out, to return to school or enter a program to prepare for the GED (General Educational Development, or high school equivalency) test. The program thereby strives to increase the proportion of teens who graduate from high school or receive a GED, find jobs, and ultimately achieve self-sufficiency.

Teens who meet LEAP's requirements have their welfare checks increased — \$62 for school enrollment and an additional \$62 each month they attend school regularly — and teens who do not (without an acceptable reason) have \$62 deducted from their welfare grant every month until they comply with program rules. Those who exceed the allowed number of total absences in a month but not the allowed number of unexcused absences qualify for neither a bonus nor a sanction. Teens may be temporarily exempted from LEAP's requirements for medical reasons, to care for an infant, or if child care or transportation is unavailable, and they are no longer subject to the requirements when they reach the age of 20. During most of the period covered by this report, a teen living on her own with one child — the most common situation — was eligible for a monthly AFDC grant of \$274. Thus, a bonus raised her grant to \$336 and a sanction reduced it to \$212.

Teens' enrollment and attendance are monitored by case managers, who explain the program's rules, offer guidance, and authorize assistance with child care and transportation teens may need to attend school. LEAP itself provides no other services, although many Ohio high schools have special programs, called GRADS, which are designed to assist teen parents in managing their dual roles as parents and students.

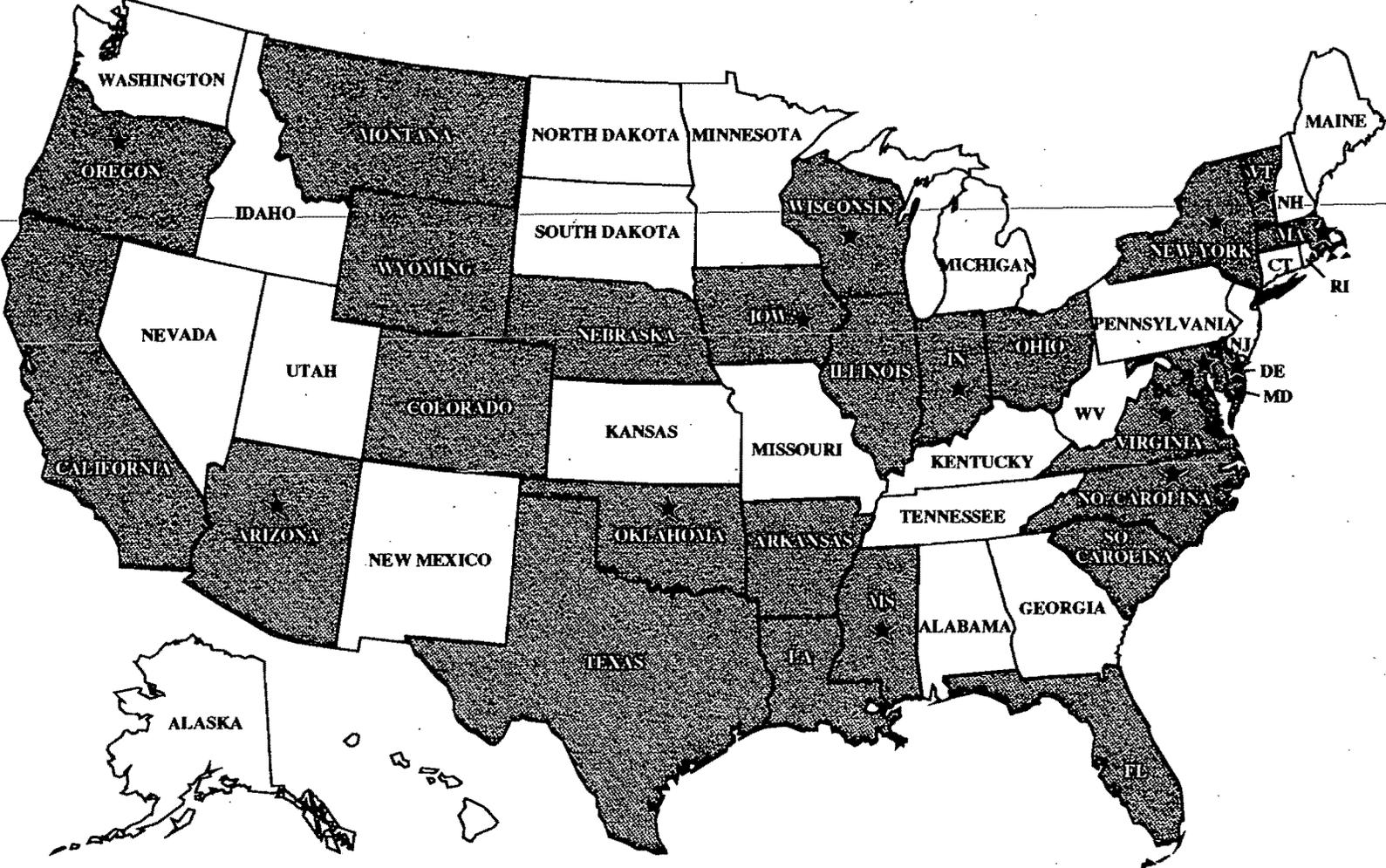
This is the fourth report from an evaluation of LEAP's operations, results, and cost-effectiveness, which the Manpower Demonstration Research Corporation (MDRC) has been conducting since the program began in 1989.¹ The evaluation is being conducted under contract to the Ohio Department of Human Services (ODHS), with additional funding provided by the Ford Foundation, the Cleveland Foundation, BP America, the Treu-Mart Fund, the George Gund Foundation, the Procter & Gamble Fund, and the U.S. Department of Health and Human Services.

The report focuses on the experience of teens in seven counties (with about half of the statewide LEAP caseload) three years after they were found eligible for LEAP.² These teens became eligible during the program's first two years of operation, and all of them encountered LEAP early in its evolution. Given the program's improvement since that time, the findings in this report may be

¹MDRC's previous three reports on LEAP are: Dan Bloom, Hilary Kopp, David Long, and Denise Polit, *LEAP: Implementing a Welfare Initiative to Improve School Attendance Among Teenage Parents* (1991); Dan Bloom, Veronica Fellerath, David Long, and Robert G. Wood, *LEAP: Interim Findings on a Welfare Initiative to Improve School Attendance Among Teenage Parents* (1993); and David Long, Robert G. Wood, and Hilary Kopp, *LEAP: The Educational Effects of LEAP and Enhanced Services in Cleveland* (1994).

²Sample members are referred to as "teens" in this report, but at the three-year point, most were no longer teenagers.

States With School Attendance/Performance Requirements



★ Also Require Minor Parents to Live in Home of Parents/Guardians

DRAFT**EXECUTIVE ACTION ON WELFARE REFORM**

Today, President Clinton announced measures to make responsibility the law of the land, by ensuring that teen parents on welfare stay in school and live at home in order to receive assistance. These executive actions include: requiring all states to submit plans for requiring teen parents to stay in school and prepare for employment; requiring all states to have teen mothers who have dropped out of school return to school and sign personal responsibility plans; cutting through red tape to allow states to pay cash bonuses to teen parents who finish high school; and challenging all states to require minor parents to live with a responsible adult. With these actions, we're focusing on one of the key components of welfare reform: parental responsibility. And we're putting young mothers on the right path, toward employment and self-sufficiency.

STRENGTHENING OUR PARTNERSHIP IN WELFARE REFORM

Under welfare reform waivers, we've already freed 37 states from red tape to pursue innovative welfare reforms -- more than under any previous administration. State welfare demonstrations approved by the Clinton Administration now cover **75 percent of all welfare recipients nationwide**. We've already allowed 22 states to require teen parents to stay in school, and encouraged 21 to require them to live at home in order to receive assistance.

REQUIRING TEEN PARENTS TO STAY IN SCHOOL

Today, we are announcing additional steps to challenge states to require teen mothers on welfare to stay in school. Currently, 25 states are linking benefits to school attendance and/or performance, 22 under waivers approved by the Clinton Administration. Ohio, for example, has a model program called LEAP: Learning, Earning, and Parenting. LEAP reduces checks of teen mothers when they don't go to school, and pays them a bonus when they do. A report released on May 1, 1996 by the Manpower Demonstration Research Corporation shows that LEAP has significantly increased the number of teen parents completing school and going to work. LEAP increased school completion among high-school enrolled teens by almost 20 percent and increased employment by over 40 percent. LEAP also significantly increased school enrollment among teens who had dropped out.

Other states are trying similar approaches with our support. For example, Delaware reduces benefits for truancy, and pays teen parents a \$50 bonus when they graduate from high school. Colorado pays bonuses when teen parents graduate from high school or receive a GED.

These states are putting teen parents on the right path, toward employment and self-sufficiency -- and all 50 states around the country should follow their lead. That's why the President is directing all states to submit plans to increase school attendance among teens who receive welfare, to include benefit reductions for teen parents who refuse. And we're cutting through red tape to let states provide cash bonuses to teen parents who finish high school.

REQUIRING MINOR PARENTS TO LIVE AT HOME

Under current law, states have the option to require minor parents to live at home -- but only 21 states have such requirements, 11 initiated under waivers granted by the Clinton Administration and 10 adopted under the state option. Today, the Clinton Administration is challenging all 50 States to put minor mothers on the right track by requiring them to live at home or with a responsible adult in order to receive assistance.

ENDING WELFARE AS WE KNOW IT

The President's goals for welfare reform are clear: requiring work, promoting responsibility, and protecting children. With this new initiative, President Clinton underscores his commitment to helping welfare recipients become -- and stay -- self-sufficient. President Clinton continues to call for a national welfare reform bill. But, if Congress fails to send the President a bill that gets the priorities right, the Clinton Administration will continue to reform welfare -- one state at a time.

DRAFT

Talking Points for Radio Address
President Clinton's Executive Action on Teen Parents

Over the past three years, our Administration has made real progress in reforming the welfare system, even as Congressional action has stalled. Welfare rolls are down. Food Stamp rolls are down. Teen birth rates are down. Work participation rates are up. Child support collections are up. And our Administration has freed 37 states from red tape so that they can transform their own welfare systems to demand work, require responsibility, and protect children.

In 1994 and again this year, I have presented a sweeping welfare reform bill that would promote work, encourage parental responsibility, and protect children. My plan would impose tough time limits and work requirements, provide more funding for child care, require teen parents to live at home and stay in school, and crack down on child support enforcement -- while saving billions of dollars for taxpayers.

We've ~~un~~covered a lot of common ground on welfare reform, and if Congress sends me a bill that is tough on work, rather than tough on children, I will sign it. In the meantime, we can build on what states are already doing to promote work and protect children -- particularly when it comes to teen parents. That's why, today, I am encouraging all states to send the strongest possible message that staying in school and living at home are the right things to do. The actions I am taking today are critical to helping teen mothers break the cycle of dependency and turn their lives around.

Currently, 25 states require teen parents to stay in school to receive assistance, 22 through welfare waivers granted by my Administration. Ohio, for example, runs a model program called LEAP: Learning, Earning, and Parenting. LEAP reduces the checks of teen mothers when they don't go to school, and it pays them a bonus when they do. A report released this week shows that the program significantly increased the number of teen parents who completed school, went to work, and left welfare. Ohio's program is working -- and states around the country should follow its lead. That's why today, I am directing the Department of Health and Human Services to require all states to submit plans for increasing school attendance among teens participating in their JOBS programs. To help in this effort, we will provide cash bonuses to every teen parent who completes school and cut the checks of those that won't. I am also directing all 50 states to be sure that these teen mothers are required to plan for their futures by signing personal responsibility plans to help them plan for the future.

A child who has a child should not get more money from the government for leaving home than for living with a parent or responsible adult. Under current law, states already have the option to require teen parents to live at home or with a responsible adult in order to receive assistance - - but only twenty-one states have such requirements. Today, I am urging all 50 states to send the message that having a baby should not bring a teen the right and the money to leave home and drop out of school. Instead, minor parents should live at home, stay in school, and take responsibility for turning their lives around.

DRAFT

The actions I'm taking today will help teens who already are parents break the cycle of dependency and become good role models and providers for their children. But we all agree that the main goal is stopping teen pregnancies from occurring in the first place. Our Administration is tackling this problem head-on. For example, my 1997 budget includes \$30 million for a new Teen Pregnancy Prevention Initiative, to give help to areas with high teen pregnancy rates. This new initiative will build on our existing grant programs which are helping communities choose -- and use -- the teen pregnancy prevention strategies that best suit their local needs. And it will complement the work of the National Campaign to Reduce Teen Pregnancy, which I announced in January.

I urge Congress to examine my welfare reform proposals, the plan drafted by the National Governors' Association, and the reforms already underway in the states. The steps I am taking today already have bipartisan support -- they are in the welfare bills adopted by the Congress and the National Governors' Association. As I have said repeatedly, if Congress sends me a national reform bill that rewards work, demands personal responsibility and puts young mothers on a path to self-sufficiency, I will sign it. But until they do, I will continue to reform welfare one state at a time.

DRAFT**Questions and Answers on Executive Action -- Teen Parent Requirements****Question:**

What is the Administration announcing today?

Answer:

We are announcing four new steps to encourage states to require teen parents on welfare to stay in school and live at home. We are putting more teeth into current JOBS requirements that teen parents stay in school, by requiring states to submit plans for how they will require teen parents to stay in school and prepare for employment. We're requiring all states to have teen mothers in JOBS sign personal responsibility contracts to plan for the future. We're cutting through red tape to allow states to pay cash bonuses to teen parents who finish high school. And we're challenging all states to require minor parents to live at home or with a responsible adult.

Question:

Don't states need waivers to do any of this?

Answer:

The Family Support Act of 1988 required teen JOBS participants to stay in school as a condition of assistance. States do not need waivers to strengthen their implementation of this provision - this is what we're requiring by our actions today. However, states do need waivers to change sanctions, to use incentives, or to make school attendance a condition of assistance for teen parents beyond those participating in JOBS. **Twenty-two states** have received waivers from the Clinton Administration to implement such reforms. Ohio's LEAP program, for example, is a successful program that's increasing school attendance and employment among teen parents. Our actions today will enable states to use incentives like LEAPs without a waiver.

The Family Support Act also gave states the option to require minor mothers to live at home or in a supervised setting to receive benefits. Although states do not need a waiver to implement these requirements, **11 states** have included them within comprehensive welfare waivers, while **10 other states** have simply amended their state plans. We hope our use of the "bully pulpit" will encourage all 50 states to adopt this approach.

DRAFT**Question:**

What real effect will the President's actions have?

Answer:

Today's action will have important results, because **about half of all adult AFDC recipients** (about two million people) had their first child when they were 19 or younger. We also know that while 80 percent of children born to unmarried teenage high school dropouts are poor, only eight percent of children born to married, older high-school graduates are poor. (Annie E. Casey Foundation.) By following the steps laid out by the President to require teen parents to finish school, live at home, and prepare for work, states will help ensure that teen parents become good role models and providers for their children.

Requiring teen mothers to finish high school also increases the odds that young mothers will get off welfare, and reduces the chances that they will later return. According to one recent study, AFDC recipients without a high school diploma are twice as likely to stay on welfare for 10 years or more. (Bane and Ellwood, Welfare Realities, p. 49). In addition, research by LaDonna Pavetti, now at the Urban Institute, shows that even controlling for basic skills, women without a high school diploma return to the welfare system at a rate that is 26 percent higher than women who have completed high school.

Question:

How many people will be affected?

Answer:

It's hard to estimate. According to HHS, in 1994, there were 65,000 teen moms under age 19 receiving AFDC. Unless these teens are married, or have already graduated from high school, these conditions would apply to them. Today's action will have important results overtime, because about half of all adult AFDC recipients (some two million people) had their first child when they were 19 or younger. We know that while 80 percent of children born to unmarried teenage high school dropouts are poor, only eight percent of children born to married, older high school graduates are poor. (Annie E. Casey Foundation).

DRAFT**Question:**

But if there are about 14 million people on AFDC, and just 65,000 would be affected, isn't this a virtually meaningless action?

Answer:

Absolutely not. The President's actions today are directed to the group of welfare recipients we need to target first: teen parents. We need to ensure that teen parents become good role models and providers for their children, and that means they must finish school, live at home, and prepare to work. The sooner states put these requirements in place, the sooner the children of teen parents will be able to grow up in independent, working families. The MDRC study released this week confirmed that Ohio's LEAP program has produced very positive results for teen parents within the three years surveyed. It increased school completion among high-school enrolled teens by almost 20 percent and increased employment by over 40 percent. It also reduced welfare receipt among these participants. It also increased school enrollment among teens who had dropped out.

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Question:

The President said he's encouraging states to model their school attendance incentives and sanctions on Ohio's LEAP program. Don't these programs cost money?

Answer:

The Manpower Demonstration Research Corporation's (MDRC) 1994 study of the relatively service-intensive Cleveland LEAP program estimated that LEAP cost less than \$1,000 per teen -- for the entire period of program eligibility, which averaged less than two years. That study concluded that LEAP was a "viable, low-cost policy approach that significantly improves school completion." In other states, programs like LEAP cost no money at all, because funds used for bonuses are roughly offset by benefit cuts for truants.

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DRAFT**Follow-up Question:**

Where will states get the funds to implement these school attendance programs?

Answer:

Although requiring teens to live at home and stay in school is not expensive, the funding would be provided under the JOBS program, created by the 1988 Family Support Act. JOBS gives Federal matching funds to states to provide education and training for welfare recipients. While the state match rate varies (it ranges between 20 and 40 percent), all states would have access to Federal matching funds to implement these teen parent requirements. Many states have not drawn down their entire JOBS allocation, leaving Federal funds available for these programs. (Across all states, in FY 1995, only 78 percent of Federal JOBS funds were used by states). States may also use AFDC administrative resources to fund tracking and case management activities, and the Department of Health and Human Services will also provide technical assistance to help states run effective programs. In addition, with today's action, states will be able to receive a Federal match for the money they use to pay bonuses to encourage teens to finish school.

Question:

The MDRC study also concluded that, in order for programs like LEAP to truly succeed, the public school system in this country will need to be reformed. Doesn't something need to change in the schools before you make school attendance a condition of assistance nationwide?

Answer:

One of the Administration's primary goals is to revitalize our nation's school systems. The President has already taken action -- through initiatives such as Goals 2000, Safe and Drug Free Schools, and the School-to-Work program. But there's still much more to do. As the President said last month to the National Governors' Association, we all need to join hands to improve schools in this country so that every child gets the education they need to be productive adults.

Question:

Studies have shown that a large percentage of minor mothers have been abused by their caregivers -- is it wise to require minors to live in abusive homes?

Answer:

This minor parent residency requirement would specifically protect minors from unsafe homes. States would require minor parents to live either at home or in an alternative supervised living arrangement, if the home were unsafe.

DRAFT**STATES REQUIRING TEEN MOTHERS TO LIVE WITH A PARENT, GUARDIAN, OR
IN AN ADULT SUPERVISED SETTING**

Under the Family Support Act of 1988, states have the option to require minor mothers to live with a parent, guardian or in a supervised setting to receive benefits. States need only to amend their state plans to implement this provision, no waiver is required. Nevertheless, some states have used the waiver process for the requirement.

States with minor parent provision under waivers granted by the Clinton Administration (11 states)

Arizona
Connecticut
Delaware
Iowa
Maryland
Massachusetts
Missouri
North Carolina
Oregon
Vermont
Virginia

**States with optional minor parent provision under amended state plans*
(10 states)**

Georgia
Indiana
Maine
Michigan
Mississippi
New Hampshire
New York
Oklahoma
Tennessee
Wisconsin

* The following territories also have an optional minor parent provision: Guam, Puerto Rico, Virgin Islands

DRAFT**STATES WITH SCHOOL ATTENDANCE/PERFORMANCE REQUIREMENTS**

The following states link benefits to either school attendance or performance or both.

Waiver approved under Clinton Administration (22 states)

Arizona
Arkansas
California
Colorado
Delaware
Florida
Illinois
Indiana
Louisiana
Massachusetts
Mississippi
Montana
Nebraska
New York
North Carolina
Ohio
Oklahoma
Pennsylvania
South Carolina
Vermont
Virginia
Wyoming

Waiver approved under previous administrations (3 states)

Maryland
Missouri
Wisconsin

DRAFT**STATES LINKING ASSISTANCE TO SCHOOL ATTENDANCE/PERFORMANCE**

Currently, 25 states are linking AFDC benefits to school attendance and/or school performance, 22 under waivers approved by the Clinton Administration. The following states are examples of the innovative school attendance programs operating across the country.

California

California's "Work Pays Demonstration Project" encourages teen AFDC recipients to regularly attend school by paying them a \$100 cash bonus for maintaining a C average, and \$500 for ultimately graduating from high school. Teen-age parents who fail to maintain a D average can have their AFDC payments reduced by up to \$50 a month for two months. (Approved March 1, 1994) An additional waiver, the "School Attendance Demonstration Project," requires the dependent teen-age children of AFDC recipients in San Diego County to attend school or participate in job search and training. (Approved Dec. 6, 1995)

Colorado

Colorado's "Personal Responsibility and Employment Program" pays financial bonuses when participants stay in school and graduate from high school or a GED program. (Approved Jan. 13, 1994)

Delaware

Under Delaware's "A Better Chance" demonstration, teen parents are required to live in an adult supervised setting, attend school, participate in parenting and family planning education, and immunize their children. Incentives include a \$50 bonus paid to teens who graduate from high school. Gradual sanctions can lead to the family losing benefits if participants fail to meet education and employment requirements. (Approved May 8, 1995)

Illinois

Illinois' "School Attendance" project operates in areas that have contracted with local social service providers to help families with truant children. Recipients must cooperate with efforts to improve their children's school attendance or face loss of benefits. (Approved October 2, 1995)

Ohio

Ohio's "Learning, Earning, and Parenting" (LEAP) program requires recipients who are pregnant or are parents under the age of 20 to attend school or a program leading to a high school degree. As of September 1995, LEAP participants may also meet this requirement through approved work or training activities. Teens who meet LEAP's requirements will have their AFDC checks increased by \$62 for school enrollment and an additional \$62 each month they attend school regularly. Teens who fail to attend school will have \$62 deducted from their AFDC grant every month until they comply with program rules. A \$200 bonus will be granted to those who graduate from high-school or obtain a GED.

South Carolina

South Carolina's most recent waiver, approved by the Clinton Administration on May 3, 1996, requires teens to stay in school as a condition of receiving assistance. The demonstration also allows teens who stay in school to keep the money they earn from part-time jobs, as well as any interest earned on savings.

States Requiring Teen Mothers to Live with a Parent, Guardian, or in an Adult Supervised Setting

Under current law, states have the option to require minors to live at home -- 21 states have such requirements, 10 initiated under Clinton Administration-approved waivers. Today, the Clinton Administration is urging all 50 states to put minor mothers on the right track by requiring minor mothers to live at home or with a responsible adult in order to receive assistance.