

**Excluded Children:
Family Cap in a New Era**

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TABLE OF CONTENTS

PREFACE	1
INTRODUCTION	2
WHAT IS FAMILY CAP/CHILD EXCLUSION?	3
Where has the family cap been implemented?	
Who is subject to the cap?	
How much is capped and how is this done?	
How are income and non-TANF benefit programs treated?	
How are exemptions from work requirements treated?	
HOW DOES THE NEW FEDERAL WELFARE LAW ADDRESS FAMILY CAP?	6
What happens to existing waivers after TANF?	
Has federal welfare law affected state implementation of the cap?	
WHAT DO STATES' EVALUATIONS TELL US ABOUT FAMILY CAP?	7
Has there been any impact of family cap on birth rates?	
Have researchers encountered any challenges in evaluating the impact of the family cap?	
Is there evidence that the family cap affects childbearing attitudes and practices?	
Have states expanded family planning initiatives because of the family cap?	
How many families have had their children "capped"?	
Do capped families differ from other families?	
Are states measuring the effect of family cap on child well-being?	
HOW CAN STATES MAKE INFORMED POLICY CHOICES ON CHILD EXCLUSION/FAMILY CAP?	14

PREFACE

Excluded Children: Family Cap in a New Era draws on information compiled from research evaluations, academic studies, and state surveys to apprise policymakers and the public of what is now known about the efficacy and impact of the family cap. This document examines how different states have interpreted child exclusion policies, reports on state outcomes resulting from the family cap, and considers the ramifications of these policies in an era of welfare change.

Initiated in 1992 in New Jersey, family cap policy was originally implemented to “promote personal responsibility” while discouraging births to families receiving cash assistance by eliminating or reducing cash assistance traditionally available to families with newborn children. To date, 23 states have established some type of family cap or child exclusion policy.

CLASP has collected information on all 23 states with an emphasis on the first 14 to apply for a family cap policy waiver as of mid-1995.¹ We selected this time frame because states that applied after that date have had less of an opportunity to see implementation effects; further, beginning in August 1996 under TANF (Temporary Aid to Needy Families), states could implement a family cap without federal approval and without undertaking any evaluation.² CLASP compiled evaluations, other reports and data from the original 14 states and queried the remaining states to learn the number of children subject to a cap. *Excluded Children* provides a synthesis of these findings and includes a state-by-state synopsis of the evaluations reported by the original 14 states [Appendix I]. The report also charts the number of children subject to a cap in those states which track this information [Appendix II].³

Excluded Children chronicles the early experiences of family cap states. It is our hope that the information provided will help to inform the ongoing debate on the relevance of family cap policy in this era of reform. A set of other related CLASP publications are also available. *Caps on Kids: Family Cap in the New Welfare Era* is a fact sheet based on the material included in *Excluded Children*. In addition, *New Jersey’s Family Cap Evaluation: What Do the Findings Suggest?* provides highlights of the findings released in 1998 and identifies issues raised by the new research.

INTRODUCTION

“Family cap”, also known as “child exclusion”, has entered a new era. Where some proponents once touted this policy of denying assistance to newborn children of recipients as a “reform” of welfare policy, the 1996 overhaul of federal welfare law now calls into question its very premise. Already, one state—Kansas—has abandoned plans to implement a family cap because of this new welfare context. The 23 states that actually established some type of cap must now consider how to reconcile their policies in this new era. Proponents originally contended that a *limited* cash grant was needed to achieve a reduction in births by welfare recipients. In the new welfare reform era, federal assistance is not just limited: it is *eliminated* for the entire family for a lifetime after 60 cumulative months of receipt. Family cap advocates charged that women receiving welfare were having children to remain at home. Welfare reform has since changed work expectations, requiring even mothers with very young children to seek employment. Today, the federal safety net is time-limited, and assistance is synonymous with an expectation of working outside the home.

While the relevance of family cap policy is called into question by the new federal welfare law, the policy has had real consequences that have fallen hardest on the most vulnerable. In 16 states, family cap policies have resulted in more than 83,000 children being capped; and this figure most likely significantly understates the number of capped children in the country. Moreover, since initiation of family cap, new brain research demonstrating that well-being during the first few years of life is essential for future growth and development has gained attention.⁴ However, the family cap/child exclusion policy increases the depth of poverty experienced by these infants and their families.

Family cap/child exclusion policies were first implemented without the benefit of research to support proponents’ goal of reducing births among welfare recipients. Now, research is available. However, findings from state evaluation studies suggest two alternative scenarios: the family cap fails to demonstrate a reduction in birth rates, or the family cap reduces birth rates significantly but also increases the abortion rate.⁵ In light of this unintended “perverse effect” of increasing abortions, legislation has been introduced in Congress that would preclude federal TANF funding to those states that continue a family cap policy.⁶ Similarly, legislation has also been filed in New Jersey to repeal the state’s family cap policy on the same grounds.⁷

Three realities—the presence of a new welfare framework, the withdrawal of traditional assistance for newborns during a critical development phase, and conflicting results from state family cap demonstrations—suggest the family cap policy should be viewed in a new light.

WHAT IS FAMILY CAP/CHILD EXCLUSION?

The terms “family cap” and “child exclusion” refer to restricted welfare benefits to children born to a recipient parent. Traditionally, cash grants have increased with family size. Under the typical family cap, however, if an additional child is conceived after the family begins to receive welfare, the welfare grant does not increase for this family; it is the timing of childbearing that is significant rather than the number of children in the family. Two families that both include three children could receive different benefit amounts depending on *when* the children were born: under typical family cap policy, the family with a third child conceived while the parent was receiving aid would receive less money than the family whose three children were conceived before the family applied for assistance.⁸ In other words, newborn children are excluded from the traditional, incremental grant increase.

Where has the family cap been implemented? Currently, 23 states have some type of family cap or child exclusion policy in place:

Arizona	Georgia	Mississippi	South Carolina
Arkansas	Idaho	Nebraska	Tennessee
California	Illinois	New Jersey	Virginia
Connecticut	Indiana	North Carolina	Wisconsin
Delaware	Maryland	North Dakota	Wyoming
Florida	Massachusetts	Oklahoma	

In all of these states, recipients no longer directly receive a traditional, incremental cash grant increase for newborn children. However, there is great variation among states’ policies. In fact, the very terminology used to describe these restrictions is controversial. The state of Maryland, for example, opposes both the terms “child exclusion” and “family cap” because, while the state does not provide an incremental cash benefit directly to recipients, it does provide the increment via a third party. The state of New Jersey prefers “family cap” to “child exclusion” because families still receive benefits (e.g. Medicaid, Food Stamps), though they will not receive additional grant income. Flat grant states are included as family cap states in this report because they do not provide traditional incremental cash benefits to recipient families; while not necessarily established to impact family formation, such an effect might follow from a flat grant approach.

Who is subject to the cap? All children born to welfare recipients in family cap states are subject to the cap unless they are exempt.⁹ States set the criteria for exemptions. Most family cap states exempt children who were conceived as a result of rape or incest and all but four exempt those who were firstborns of minor parents.^{10,11}

Most family cap states also allow an initial 10-month grace period of cash receipt during which recipients who bear children can receive benefits for those children.¹² “Grace period” variations occur across states:

- P In Arkansas, since implementation of TANF, there is no longer a grace period attached to the family cap policy—all children born to recipients, unless exempt, are capped.
- P In Wyoming, any *person*, regardless of age, who joins a recipient family after a 10-month grace period is denied cash assistance benefits.¹³ More typically, the “grace period” is designed to allow grants to increase for children *conceived* before their mothers were receiving welfare.
- P In New Jersey, for example, the cap applies to children who are born after a 10-month grace period following *application* for cash assistance. (In most other states, the grace period begins once the recipient family starts to receive welfare benefits.)

Some states also exclude from the family’s grant those children conceived or born to families when they were not receiving welfare benefits. For example:

- P In Arizona, a child born after a case closes is excluded from cash assistance when the family reapplies, unless the family has not received assistance for 60 months.
- P In Illinois, “children conceived after the family became ineligible for cash assistance due to income or marriage may be included in future cash assistance grants if at least three months of ineligibility elapsed before reapplication.”
- P In California, the cap does not apply if, during the 10-month “grace period”, the family left AFDC for two months or more.

Other exemptions of note include (but are not limited to):

- P California exempts a child who is conceived due to failed contraception (specifically, the IUD, sterilization and Norplant).
- P Indiana allows exemptions for children with “substantial physical or mental disability”.
- P Mississippi exempts children whose parents die, become “too incapacitated to provide care,” or become “incarcerated or institutionalized for an extended period of time.”
- P Massachusetts exempts children born to victims of domestic violence who become pregnant through abuse or fear of abuse.

How much is capped and how is this done? There are numerous variations on how caps are imposed. Most states deny a capped family the full amount of the incremental increase traditionally provided to a

family when a child is born; these increments have ranged from about \$24 per month in Mississippi to \$107 per month in California—or \$.80 to \$3.50 per day for an infant.¹⁴ In Georgia, although newborn children are denied the full incremental increase, the state does allow cash benefits to the family to increase in some situations “up to the [maximum] level of the family size prior to the birth” of the capped child.¹⁵ In other cases, states reduce (rather than eliminate) the incremental increase. For example, in Connecticut, recipient families receive a grant increase of \$50—approximately one-half of the average benefit increase for an additional child—for each child subject to the family cap.

The method for imposing the cap generally works in one of two ways: the state places a cap on recipients’ cash grants or it issues vouchers in lieu of cash. Most states’ family cap policies fall into the first category. In the case of vouchers or third party payments, the recipient family into which a child is born does not receive additional cash benefits. Instead, cash benefits/vouchers are allocated for a third party to manage, or the child’s family receives a voucher to purchase goods and services for the child. Three states—Maryland, Oklahoma, and South Carolina—already utilize vouchers or third party payments.¹⁶ In Indiana, a voucher system has been enacted but not implemented. Upon implementation, the value of the voucher will equal 50% of the customary increment in grant award.

Two states—Idaho and Wisconsin—have taken an altogether different approach by instituting “flat grants,” which typically provide all families with the same grant amount. For example, in Idaho, a maximum grant of \$276 is provided to all families regardless of a family’s size (although families are allowed to keep some income from any earnings) when the family applied for assistance.¹⁷ Like the family cap, the flat grant does not increase with the birth of an infant. For this reason, some view a flat grant as having the same potential effect as a family cap. However, the purpose of a flat grant may be rooted more in administrative simplification or in accomplishing other policy objectives unrelated to family size. For example, in Wisconsin, the amount of the flat grant is predetermined by the work category (e.g., “community service jobs” and “transitional placements”) to which each recipient is assigned rather than the number of members included in the family assistance unit.

How are income and non-TANF benefit programs treated? Some states allow families to retain *all* child support income for the capped child rather than reverting it to the state to offset the costs associated with the collection and distribution of child support. These states do not count this income in determining TANF eligibility or payments. A few states allow families to keep more earnings to cover some of the expenses for the capped child.¹⁸

Non-TANF programs such as Medicaid, WIC, and food stamps do not distinguish between children who are “capped” or “excluded” for purposes of calculating benefits: the family is not to be denied such help, including help for the “excluded” child, if the child would otherwise qualify for the program.¹⁹

How are exemptions from work requirements treated? Prior to TANF, under the JOBS program, recipients were exempted from work requirements if they had a child under age three (or, at the state's option, as young as age one). Since TANF (and prior to TANF under federal waiver), some states lowered the age criteria for capped children. For example, in Massachusetts, under TANF the work exemption for a recipient with non-capped children is six years, but for those with children subject to the cap it is only three months. Under TANF, states may adopt this policy without being required to evaluate its consequences.

HOW DOES THE NEW FEDERAL WELFARE LAW ADDRESS FAMILY CAP?

TANF is silent regarding the family cap. It contains no provision denying incremental benefits to additional children born to welfare recipients. However, under the TANF framework, while states are not required to implement a family cap policy, they may do so without federal approval.

What happens to existing waivers after TANF? States with waivers can choose either to continue or terminate those waivers. If they choose to continue the waiver, they can maintain the cap policy they established under waiver or make changes to it.²⁰ In addition, states that continue a family cap under waiver are no longer required to continue their evaluation. If a state decides to terminate its waiver, it can abandon the policy altogether or create a different family cap policy.

Of the first 14 waiver states:

- P** Five—Arizona, Delaware, Indiana, Nebraska, and Virginia—are continuing both the child exclusion policies they established under waivers and some type of evaluation,²¹
- P** Eight states—Arkansas, California, Georgia, Maryland, Massachusetts, Mississippi, New Jersey, and Wisconsin—terminated their waivers (Arkansas and New Jersey have issued reports); and
- P** One state—Kansas—chose not to implement a family cap.

Has federal welfare law affected state implementation of the cap? Federal time-limits established in the 1996 welfare law led one state to abandon its family cap legislation altogether. Kansas enacted a family cap in 1994 but had not yet implemented it when the new federal law emerged. The legislature considered an options paper developed by Kansas' welfare agency that noted that the new federal welfare framework—a 5-year time limit on cash assistance—could deter welfare recipients from having more children and make moot the purpose of the family cap:

“Once an adult in a household has received 60 months of assistance, all family members, including the children, become ineligible for further assistance. Families will know up front that if they have additional children while on assistance that they will be responsible for supporting them without

state aid once the 5-year time limit expires. *Since the purpose of the family cap is to assure adults do not continue having children in order to receive increased public assistance, the 5-year time limit does an effective job curtailing such practice.*” [emphasis added]

The paper also noted that one advantage of implementing a time limit without a family cap is that such an approach “allows [the] focus to be on gaining employment.”²² The legislature agreed that a family cap was unnecessary in light of the new federal welfare framework.

Since implementation of TANF, four states—Idaho, Oklahoma, North Dakota, and Wyoming—have implemented a family cap.

WHAT DO STATES’ EVALUATIONS TELL US ABOUT FAMILY CAP?

Of the 14 early waiver states, seven (Arizona, Arkansas, Delaware, Indiana, Nebraska, New Jersey, and Virginia) are conducting or have completed an evaluation of their family cap policy. Research from these seven states provides some insight into the implementation process; however, only three—Arizona, Arkansas, and New Jersey—will provide evaluation findings on birth rates from experimental control group analyses.²³

Has there been any impact of family cap on birth rates? The experimental design offers the most accurate method for testing the hypothesis that the family cap causes a decline in birth rates because researchers can compare the behavior of recipients who were subject to the cap (experimentals) to similar recipients who were not (controls). To find evidence of an effect of the family cap, there should be a statistically significant difference between the birth rates of the experimental and control groups.

Only two family cap waiver states—Arkansas and New Jersey—have reported findings from an experimental design that compares birth rates of clients subject to the family cap to those who were not.²⁴ The lack of extensive experimental study in other family cap states at this time distinguishes this research as the sole opportunity to test the validity of the family cap through experimental design. The findings to date from these studies are as follows:

- P** Arkansas’ final evaluation (1997): no effect of family cap on birth rates.²⁵
- P** New Jersey’s final evaluation (1998): significant effect of family cap on birth rates.²⁶

New Jersey’s experimental research²⁷ looked separately at on-going cases and new cases and found that:

- # for ongoing welfare cases, members of the experimental group had a birth rate 9 percent lower than those in the control group; regarding abortion there was no statistical difference between the groups.
- # for new cases, members of the experimental group had a birth rate 12 percent lower than those in the control group; the abortion rate was 14 percent higher for the experimental group.

No other family cap states have compared experimental and control group abortion rates relative to the family cap.^{28,29}

Have researchers encountered any challenges in evaluating the impact of the family cap? While the available research provides timely information on the impact of the family cap, it is still susceptible to imperfections in the experimental design or imperfections in the research process. In typical experimental studies, one group receives an isolated “treatment” and then is compared to a group that was not exposed to the treatment. In Arkansas and New Jersey, however, it is possible that welfare recipients may have altered their behavior in response to their knowledge of the existence of a family cap policy, regardless of whether they were then officially subject to it.³⁰ For example, Arkansas researchers noted that:

“...members of the control group are exposed to the policy of the family cap in the social environment in which they live through media and community beliefs and come to believe that the policy applies to them as well as those who are actually in the ‘treatment condition’.”³¹

New Jersey researchers responded to this problem, in part, by conducting trend analysis studies. By monitoring trends in birth rate declines over time, comparing declines in the whole population against those in the AFDC population, and monitoring changes prior to and following cap implementation, researchers tried to circumvent the problems that arose from potential contamination between the experimental and control groups. The Rutgers statistical trend analysis estimates that between October 1992 and December 1996 the family cap led to roughly:

- P 1,400 abortions incurred that otherwise would not have been performed.
- P 14,000 births averted that otherwise would have occurred.

The decision to have a child is a complex one, influenced by many competing factors and concerns. Researchers must attempt to disentangle these factors in order to determine how much of any birth rate change results from a family cap policy and how much results from other factors in family’s lives. Over the course of New Jersey’s evaluation, the researchers refined and supplemented their methodologies in an effort to better control for influences outside the family cap policy. While the techniques they utilized are sophisticated, research regarding the impact of the family cap is still in its infancy. We are still learning what

influences birth rates and how best to account for these influences in our evaluations of policies like the family cap.³²

Is there evidence that the family cap affects childbearing attitudes and practices? There are several stages in decision-making regarding childbearing. It would be useful to know whether the family cap:

- P influences the decision to have intercourse;
- P affects contraceptive practices;
- P reduces birth rates;
- P increases abortion rates; or
- P influences the decision to put a child up for adoption.

In a number of the original 14 waiver states, researchers surveyed caseworker and clients about their attitudes towards the role of family cap in childbearing. The results of the interviews indicate a common belief that the family cap does not alter recipients' basic childbearing attitudes:

Caseworker Attitudes

- P In Arizona, "many [of the interviewed caseworkers] felt that few if any welfare recipients have more children just to increase their grants."³³
- P In Delaware, most case workers felt that the cap would "unlikely influence client's child-bearing decisions" because they felt that most recipients had not been motivated to bear additional children before when they would have received incremental grant increases for those children. They believed the benefit of the cap would be to reduce government expenditures. One worker summed up clients' probable reaction to the cap by stating, "They'll still have kids. There are emotional needs there, not just money."³⁴
- P In Indiana, evaluators reported that many staff did not think that the cap policy was an effective deterrent to childbearing and did not feel that an average \$60 decrease in recipients' cash grants would affect a behavior change. Evaluators also reported that case workers already believed that many subsequent pregnancies of AFDC recipients were unintended to begin with. The Indiana evaluation did mention, however, that staff reported recipient reactions that ranged from indifference to serious concern over the potential loss of benefits resulting from the cap. Evaluators' final recommendations advised welfare agency staff to "consider issuing further policy guidelines and training on when and how to discuss family planning and what information should be provided."³⁵

Recipient Attitudes

P Arkansas' impact evaluation revealed that nearly all of recipient mothers (95% of control group members and 100% of experimental group members) said that they would not have another child in order to get additional benefits.³⁶ Moreover, 94% of fertile experimental group members who were actually able to bear children (as compared to 82% of control group mothers) reported that the amount of AFDC benefits they received was not a factor in their childbearing decisions.

P In New Jersey, client surveys analyzed in an interim report revealed that more than 80% of the sub-sample reported that "not having adequate finances to raise [a] child" was a reason to avoid pregnancy. However, less than 40% of respondents cited a loss of additional incremental grant benefits as a reason for avoiding pregnancy.³⁸

Few evaluations examine family planning utilization by welfare recipients generally and fewer attempt to measure whether the family cap contributed to changes in family planning service utilization or contraceptive practice. The greatest attention to these issues is evident in the Arkansas study and even more so in the New Jersey final evaluation:

P In New Jersey, the data indicate that the experimental group used contraceptive drugs and devices more than the control group in both the new and on-going cases. For new experimental cases, the projected rate of utilization (per 1,000) was 21% higher than for the controls over the study period³⁹.

P In Arkansas: When asking questions about birth control, Arkansas researchers were able to eliminate from their sample those who were unable to conceive, largely because they had been sterilized.

With respect to any change in the type of birth control method used, nearly 80% of all fertile mothers who responded to the survey reported no changes since July 1, 1994, the date when the cap policy was instituted. With respect to consistent utilization, between 55–60% of fertile mothers reported always using birth control: 61% of experimental group members who completed the survey (28 respondents) compared to 55% of control group members (30 respondents). Almost one quarter of control group members reported never using birth control versus 17% of experimental group members completing the survey. However, the Arkansas evaluation indicates that these differences were not statistically significant.⁴⁰

Have states expanded family planning initiatives because of the family cap? Under AFDC, federal law stipulated that states had to provide family planning services “promptly to all individuals voluntarily requesting such services, with acceptance of such services not a prerequisite to eligibility for or receipt of any other services.”⁴¹ It is unclear whether and how states responded to this legal requirement. However, when states applied for family cap waivers, the terms and conditions required by the Department of Health and Human Services directed states to follow this law.⁴²

The CLASP survey of the original 14 family cap states asked whether states’ family cap policy was implemented along with any special effort to improve access to family planning by welfare families. Only five surveyed states—California, Delaware, Georgia, Massachusetts, and Wisconsin—mentioned specific family planning initiatives. An illustration of a specific linkage between cap policy and family planning includes:

P In California, the Department of Social Services (CA DSS) mailed flyers to all AFDC recipients in October 1996, outlining their family cap provision and implementation date as well as information on how to access family planning services. The notices were also disseminated and displayed in the county welfare director’s offices. In addition, CA DSS implemented a special campaign, the AFDC Family Planning Information Campaign, to promote and increase awareness of the state’s family planning services.

Several states that did not specifically indicate any efforts to bridge family planning and family cap policies in their response to the CLASP survey, in practice actually did. For example:

P In Arkansas, caseworkers were directed to emphasize the availability of family planning with those recipients who were enrolled in the experimental group (i.e., were subject to the family cap). However, evaluators reported that “no significant difference appears between control or experimental fertile mothers for any family planning questions.”⁴³

Arizona, Indiana, Mississippi, Nebraska, New Jersey, and Virginia reported that they had not initiated any specific family planning initiative in coordination with their cap policies.

State evaluations revealed gaps in referral to family planning:

P In Indiana, “all new AFDC applicants and original recipients are to be offered information on family planning at the time of each application and redetermination review.” However, Indiana’s evaluation indicates that most caseworkers they interviewed did not review family planning options with their clients and many did not realize that they were supposed to discuss this with clients.

Moreover the report noted that evaluators “could find no reference to family planning in the policy manual on welfare reform changes.”⁴⁴

P In Nebraska, evaluators noted that welfare participants found “inadequate support for family planning,”⁴⁵ and that accounts from welfare recipient focus groups indicated that they “wished they had more information and guidance relating to pregnancy prevention.”⁴⁶

P Delaware caseworkers reported some reluctance in discussing family planning options with clients for fear of giving the impression that their agency was promoting birth control.⁴⁷ There was also great variation across Arkansas’ counties in how information about family planning was disseminated.

How many families have had their children “capped”? Few state evaluations provided information about how many children had been denied benefits as a result of the cap. Therefore CLASP surveyed the 20 states that operate family cap policies directed at newborns to obtain this information.⁴⁸ (The results of these findings are compiled in Appendix II.) In New Jersey the family cap has been applied to 28,000 newborns; in all 16 states, family cap policies have resulted in more than 83,000 children being capped. This figure which is already greater than the current combined total recipient caseloads of Arkansas, Delaware, North Dakota, and Wyoming,⁴⁹ most likely significantly understates the number of capped children in the country because:

P Some family cap states do not count the number of capped children;

P Some family cap states do not report counts of capped children during the state’s entire implementation period;

P Some family cap states do not count capped children statewide but rather report data from their waiver demonstration, which was limited to certain families;

P Some states—including California, the state with the largest TANF caseload—have only recently implemented a family cap policy;

P Many family cap states do not report complete counts of affected children. In these states, capped children who leave welfare are lost to the count. That is, if 100 children were capped in a given year but 40 left the rolls by the time a count was generated, the total count would be reported as 60—the number of capped children in active cases.

Do capped families differ from other families? Mothers who bear children while receiving cash assistance are more likely to be workers and more likely to be younger than those without capped children according to subgroup analyses from both New Jersey and Arkansas.⁵⁰ For example, the average age of women with capped grants in New Jersey was 26 as compared to 32 for those without capped grants.⁵¹ These findings coincide with the traditional life course of having children at younger ages.

Are states measuring the effect of family cap on child well-being? None of the 14 early waiver states reported any statistical findings that link the potential positive or negative effects of child exclusion provisions to child well-being. However, several evaluators conducted polls on the issue.⁵²

- P** In New Jersey, more than half of the members in the experimental and control groups responding to a survey questioning clients' opinions on the family cap policy stated that the family cap hurts children by withholding welfare benefits. Both control group and experimental group populations agreed with this statement to the same degree (53% of experimental group members and 54% of control group members).⁵³
- P** New Jersey evaluators also polled recipients through telephone and personal interview surveys to learn about their oldest children's performance of household chores, school achievement, delinquent and aggressive youth behavior. Results are pending from these surveys.
- P** Delaware's *A Better Chance Demonstration First-Year Evaluation Progress Report* raised the question, "Do changes [in financial incentives] translate into improved child well-being?" While this report does not address the question, future reports are expected to do so.
- P** Indiana's client follow up survey included measures of child well-being such as "rates of reported child abuse and neglect" and the "proportion of children in good health." Findings will be reported in subsequent reports.

Evaluations of the effects of overall welfare changes on child outcomes are also being planned by the following research organizations in a number of family cap states:

- P** The Manpower Demonstration Research Corporation (MDRC) will investigate child outcomes in Florida's Transition Program and Connecticut's Jobs First: Welfare Reform Evaluation Project.
- P** Child Trends, Inc., will investigate the impact on children of state welfare reforms begun under waivers and continued under TANF in California, Connecticut, Florida, Illinois, Indiana, and Virginia.⁵⁴

While current information regarding the actual impact of child exclusion on children is virtually non-existent, there is a body of research which links child poverty to poor health, developmental, and social outcomes.⁵⁵ Researchers have found that poor children are:

- P** less likely to be immunized
- P** more likely to go hungry or report frequent instances when they did not have enough to eat

P more limited in their activities due to chronic health conditions, and
 P more likely to experience abuse and neglect than children in households with incomes above the poverty level.^{56, 57}

John T. Cook, Research Assistant Professor at Tufts University School of Nutrition Sciences and Policy, commented in plaintiff testimony in litigation opposing New Jersey’s family cap policy:

‘I would expect that children whose needs are excluded from consideration in determining welfare payments in New Jersey, considering the extremely low level of benefits their families receive, are likely to suffer from serious undernutrition which can permanently retard their growth, brain development and cognitive functioning. It is not clear that all of these consequences of undernutrition, particularly in very young children, can be completely reversed.’⁵⁸

Furthermore, research on brain growth reveals a critical developmental period during infancy when children are most receptive to external stimuli. These studies also reveal that poor children are more likely to be exposed to the risk factors that can inhibit normal brain functioning and development during this critical period.⁵⁹ Poverty is also linked to “abusive family processes, parental depression and stress, and disruptions in caregiving” which can significantly compromise the safety and stability of a child’s home environment.⁶⁰ With the addition of each new child to the family, spacial limitations can also become problematic. Families’ lack of access to affordable housing can lead either to conditions of overcrowding or homelessness.⁶¹

Thus, while research on the family cap points in two directions—no effect on birth rates or a significant effect but with an increase in abortions —it is clear that families that are denied cash assistance with the birth of a child are poorer under the family cap. As a result, their children will be negatively impacted.

HOW CAN STATES MAKE INFORMED POLICY CHOICES ON CHILD EXCLUSION/FAMILY CAP?

Evaluators of the family cap find that it either fails to reduce birth rates or it reduces the birth rate while increasing abortions. Further, new research links poor developmental outcomes to early childhood poverty. The following research should cause states concerned about child well-being to revisit their family cap policy:

Conflicting evidence regarding whether the family cap “works” in reducing the birth rate of welfare recipients. The experimental research from Arkansas found no statistically significant difference in birth rates between the experimental and control groups. However, the findings from the final New Jersey study demonstrated a statistically significant decrease in birth rates a result of the family cap. These

opposing findings may result from the use of different methodologies.⁶² In fact, a change in methodologies during the course of the New Jersey evaluation altered that study's findings. A draft of the final New Jersey results -- which was not officially released but received press attention-- found the family cap caused births to decline and abortions to increase; indeed, the increase in abortions accounted for the decline in births. However, when the analyses were refined using different and multiple methodologies, the results were contrary. Under the revision, the birth rate declined ten times more than the abortion rate increased.⁶³

In the state where births were reduced because of the family cap, the policy also caused an increase in abortions. The New Jersey's trend analysis projects that for every 10 births averted, one abortion would occur that would otherwise not take place.

No studies have yet measured the effects of the family cap on child well-being. While some studies have polled or surveyed parents about personal perceptions of child well-being, no study has yet reported statistics on measures such as nutritional well-being, growth, or mental health.

Numerous studies have measured the effects of poverty on child well-being; a family cap, by definition, would increase the poverty of excluded children. To the extent that the family cap increases the poverty experienced by some families, it increases the likelihood that the child will experience the well-documented negative effects of poverty such as: stunted growth from poor nutrition, impaired educational development, and weakened family cohesion.

The depth of poverty increases poor outcomes for children. To the extent that the family cap increases the *depth* of poverty experienced by some impoverished families, it increases poor outcomes. One study has found that each dollar cut from a welfare grant reduces future economic output by at least the same amount.⁶⁴

Poor outcomes for children increase state costs. To the extent that the family cap contributes to poor outcomes for some children, the state could bear such costs as remedial education, health and hospitalization costs, and lowered adult productivity.

Policies that contribute to poor outcomes for very young children contravene state investments in early childhood. The National Governors' Association is working to "convey the importance of investing in a child's first three years to legislators, parents, business, and other members of [communities] who can become partners in our effort to give children a better start in life."⁶⁵ The majority of states are actively investing in early childhood initiatives.⁶⁶ However, the state's investment in early childhood may not be able to compensate for the loss of income to the family of children who are excluded from their families' grant as a result of a family cap.

Poverty ensuing from application of the family cap affects all family members—not just the excluded child. Under AFDC, when a child was born to a recipient family, the family received an increment in their grant award to deflect the costs of caring for an additional member. Under the typical family cap, the family's total costs increase with the birth of the child, yet their total income remains constant. As the family budgets to compensate for the new addition, all members become poorer as resources are stretched to support more people. Risks similar to those faced by the newborn—compromised development, family stability, health, and nutrition—may confront other children in the family, especially the youngest.

Evaluations from family cap states coupled with welfare time limits and work requirements provides little reason for continuing a family cap policy in order to reduce birthrates. We urge states to revisit their existing family cap policies. States can proceed in a number of ways:

Terminate an existing family cap. A state with a family cap has ample justification for abandoning an existing policy in light of research findings. The majority of the states have not imposed the family cap policy, and at least one state, Kansas, abandoned state family cap legislation because the TANF time-limits are viewed as rendering the policy moot.

Evaluate the effects of the state's time limit policy on birth rates: A state with or without a family cap could seek to assess whether the state's time limit policy has an effect on the birth rate of the welfare population. As an alternative to a family cap, a state could implement and evaluate a message campaign that marries information on the time-limit with information on family planning services and the possible value of delayed child-bearing.

Evaluate the effects of the state's work requirements on birth rates: A state with or without a family cap could seek to assess whether the state's work requirements have an effect on the birth rate of the welfare population. As an alternative to a family cap, a state could evaluate whether "work first" and successful placements in training/employment accomplish a birth rate reduction among welfare recipients.

Minimize the impact of the family cap: A state could restrict the cap to a pilot population and limit economic consequences through use of third party payments or vouchers. Using evaluation methodologies, the state could assess the cap's effectiveness with a defined population.

Invest in expanded family planning services: With or without a family cap, a state could determine that improved voluntary access to family planning improves the capacity of families to time births. Investments could include increased amounts of contraceptives available in more parts of the state for the entire year (subsidized contraceptives are not available for the entire year in some states). As an alternative to implementing a family cap, a state could pilot a program in which TANF or other funds are used for

expanded voluntary services, then evaluate how well this effort works at helping to reduce both unintended pregnancies and births among the welfare population.

Invest in non-coercive family planning services outreach: A state with or without a family cap could seek to improve outreach for available (or expanded) family planning. The state could pilot a program to test strategies that neither coerced nor conveyed a perception of coercion to the welfare population. As an alternative to family cap, a state could evaluate the effect of the outreach effort on the welfare population birth rate. An outreach program might include new information strategies as well as changes in service delivery (e.g., more flexible hours, more accessible locations, etc.).

NOTES

1. Prior to the 1996 implementation of the Temporary Assistance for Needy Families (TANF) block grant, states could only establish family cap policies through a federal waiver that allowed demonstrations under Aid to Families with Dependent Children (AFDC). As a condition of the waiver, the Department of Health and Human Services' (HHS) required states to conduct an experimental design evaluation in which control group families continued to receive cash benefits for infants born into their families, and experimental group families became subject to the cap.

2. Under federal waivers, 19 states—Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Mississippi, Nebraska, New Jersey, North Carolina, South Carolina, Tennessee, Virginia, and Wisconsin—adopted family cap policies. (Wisconsin later changed its policy to a flat grant.) Office of the Assistant Secretary for Planning and Evaluation, *Setting the Baseline: A Report on State Welfare Waivers* (Washington, DC: U.S. Department of Health and Human Services, 1997). North Dakota, Oklahoma, and Wyoming enacted family cap policies after passage of TANF, and thus, were not required to apply for federal waivers. Idaho established a flat grant after implementation of TANF. Center for Law and Social Policy (CLASP) and Center on Budget and Policy Priorities, *Completed Legislative Questionnaires, State Policy Documentation Project* (Washington, DC: 1997; unpublished.)

Setting the Baseline also notes two states—New Hampshire and Texas—which did not cap a family's grant with the birth of the child conceived while receiving AFDC but did require JOBS participation sooner for these families than for others. These two states are not included here because of TANF's universal shift to work-first and the TANF provision that does not exempt anyone from work participation (except, at the option of the state, those with children under the age of one.)

Of the 23 states that have implemented some type of child exclusion policy, 18 have a policy to exclude the infant from some or all of the customary grant increments. Two states—Idaho and Wisconsin—have implemented flat grants. Maryland utilizes a third party payee system and Oklahoma and South Carolina's policies provide vouchers for infant goods and services to capped children. Indiana also plans to implement a voucher provision along with its family cap policy; the provision has been set in statute but implementation has been delayed.

The state of Kansas received federal waiver approval and passed legislation to implement the provision but then chose not to implement it in light of passage of the federal law that created time limits on cash assistance. CLASP, *Family Cap Questionnaire* (Washington, DC: CLASP, 1997).

3. A CLASP report on the potential linkage between family cap policies and family planning in in Georgia is scheduled for later publication. CLASP also anticipates reports on family cap developments based on forthcoming responses to a 50-state survey that is part of *The State Policy Documentation Project*, a joint effort of CLASP and the Center on Budget and Policy Priorities.
4. National Governors Association, *The First Three Years: A Governor's Guide to Early Childhood* (Washington, DC: National Governor's Association, July 1997).
5. The state of New Jersey contracted with Rutgers University to perform an evaluation of the state's family cap policy. In addition to an interim report, published in July 1996, the final evaluation released in 1998 includes three reports: *Cost-Benefit Analysis of New Jersey's Family Development Program: Final Report*; *A Final Report on the Impact of New Jersey's Family Development Program: Results from a Pre-post Analysis of the AFDC Case Heads from 1990-1996* and *A Final Report on the Impact of New Jersey's Family Development Program Experimental-Control Group Analysis*. The state of Arkansas contracted with University of Arkansas at Little Rock for the evaluation of the family cap. A final report *Arkansas Welfare Waiver Demonstration Final Report* was issued in June, 1997.
6. In June 1998, Congressman Chris Smith and other cosponsors introduced H.R. 4066, "a bill to prohibit States from imposing a family cap under the program of Temporary Assistance to Needy Families." The bill would penalize states that continue their family cap policies by denying such states TANF funding. Smith expects to reintroduce the measure in 1999.
7. Assemblywoman Charlotte Vandervalk, who chairs the Assembly Health Committee, and Assemblywoman Joan Quigley have cosponsored legislation to repeal New Jersey's family cap. State Sen. Diane Allen also submitted a similar bill in the New Jersey Senate. The legislation was introduced and referred to Committee in September, 1998. It is currently still pending.
8. In both New Jersey and Indiana, this disparity in payment levels has served as the basis of three lawsuits filed by the NOW Legal Defense and Education Fund, the American Civil Liberties Union, and other organizations. The American Civil Liberties Union of New Jersey filed a case (*Sojourner A. v. The New Jersey Department of Human Services*) in New Jersey along with the NOW Legal Defense and Education Fund (NOW LDEF) and the law firm of Gibbons, Del Deo, Dolan, Griffinger & Vecchione in September 1997, that alleged that the cap policy adhered to a discriminatory practice of denying additional grant support to some families while extending that support to families with similar circumstances. (The American Civil Liberties Union. *The Civil Liberties Issues of Welfare Reform* (New York: The American Civil Liberties Union, 1995) [<http://www.epn.orgaclu/acwelf.html>]) The case is still pending and NOW LDEF has recently filed a motion to obtain the latest Rutgers report on outcomes of experimental and control group study participants. A similar suit was filed in Indiana.

(*N.B. v. Davis*, Marion County, Indiana, May 22, 1997.) Indiana's ACLU charged that the cap violated recipients' constitutional rights to family integrity and privacy. The suit also alleged that the policy unfairly held children responsible for their parents' behavior. In addition, the ACLU charged that Indiana's voucher system of compensating capped families with a voucher worth 50% of the customary incremental grant increase afforded to non-capped families "was not properly implemented, thereby violating federal and state due process requirements". (Institute for Women's Policy Research. *Welfare Reform Network News*, October/November 1997 11/12 (Welfare Law Center, 1997). The suit is still pending and will be heard in early 1999. Implementation of the voucher provision, while set in statute, has been delayed.

9. Children whose parents are control group participants in a waiver demonstration experiment are not subject to the cap, either.

10. Most exemptions derive from the standard exemptions set forth by the Department of Health and Human Services in the federal terms and conditions issued with approved waivers. Typically, states that terminated their waivers or established family cap policies after passage of federal welfare law have since adopted similar exemptions.

11. Since enactment of TANF, at least four states apply (or plan to apply) the family cap to the first born child of minors who receive cash benefits as members of an assistance unit: Arkansas (as of July 1997), California (as of August 1996), Delaware (as of January 1, 1999), and Mississippi (as of July, 1997).

12. All of the waiver states, with the exception of Georgia, originally applied the family cap to children born 10 months after application or initial receipt of welfare benefits. In Georgia, children born within a 24 month period were exempt from the cap under the waiver. S. Savner and M. Greenberg, *The CLASP Guide to Welfare Waivers* (Washington, DC: Center for Law and Social Policy, 1995). In 1997, Georgia reduced the time frame to 10 months.

13. In Wyoming, families with one or two members in the assistance unit receive different payments (a total of \$195 or \$320, respectively), but families with three or four members can only receive a maximum payment of \$340, and those with five or six members are capped at \$360. Eligible families containing seven or more members can only receive a maximum payment of \$380.

14. CLASP's calculation is based on the difference between a two person and a three-person maximum benefit. Committee on Ways and Means, *1996 Greenbook* (Washington, DC: Committee on Ways and Means, U.S. House of Representatives, November 1996).

15. "For example, if the TANF benefit for a caretaker and one child is reduced from \$235 (family maximum for two) to \$200 because of a child support payment, the birth of a second child under the

cap policy may increase the benefit amount to \$235. In this case example, the benefit cannot be greater than the family maximum for two even after the birth of the second child. However, the birth did result in an increase of benefits.” Georgia Department of Human Resources.

16. Presently, in Oklahoma and South Carolina, recipients who have additional children may receive vouchers for goods and services equal to the increase in grant award they would have received for those children without the cap. (Office of the Assistant Secretary for Planning and Evaluation, *Setting the Baseline: A Report on State Welfare Waivers*. (Washington, DC: U.S. Department of Health and Human Services, 1997). In Oklahoma, the voucher can only be used for “items of necessity for newborns until the age of 36 months”. Oklahoma pursued its family cap policy after passage of TANF. Its policy extends non-cash vouchers equal to the amount of the incremental benefit the excluded child would have otherwise received. (*Temporary Assistance for Needy Families (TANF) Work Program*. OAC340:10-2., 1997) . In Maryland, a “child specific benefit” equal to the customary incremental benefit is directed to third parties, rather than to recipients who bear children while receiving cash assistance.

17. In Idaho, qualifying families who earn income may also be eligible to receive cash grants up to this amount (in addition to their earnings), depending on how much they earn and the size of their families. Division of Welfare, *Idaho Administrative Code*, Section 16.03.08. (Idaho Department of Health and Welfare, 1997).

18. Office of the Assistant Secretary for Planning and Evaluation. *Op. cit.*

19. Food stamp rules would appear to prohibit waivers that would deny food stamps to children based on a family cap. Technically, states could apply for a Medicaid waiver under Section 1115 of the Social Security act and seek federal approval to deny health care to the newborns subject to the family cap; however, the Clinton administration has made it clear that it would not approve such a request.

20. Eight of the states which implemented their existing cap policies under waiver have since terminated those waivers (Arkansas, California, Georgia, Maryland, Massachusetts, Mississippi, New Jersey, and Wisconsin), allowing them to make changes to their policies without federal approval. Some of the changes made include:

P Arkansas rescinded its 10-month grace period provision: now all children born to recipients will be excluded from incremental grant increases—even those conceived while the parents were not receiving benefits.

P Maryland never implemented the family cap policy proposed in its original waiver request; rather the state developed a third party payee system which allows third parties to receive a

“child specific benefit” equal to the customary incremental grant increase to use for the benefit of the capped child.

P Wisconsin replaced its traditional family cap provision with a flat grant.

21. Although these states would have been obligated to conduct an evaluation under previous guidelines, DHHS has interpreted the 1996 law to allow states to continue waivers without continuing the evaluations. DHHS has made additional matching funding available to states that choose to continue their evaluations under the waiver. Office of Planning, Research, and Evaluation, *Ongoing Research and Evaluation Projects* (Washington, DC: Administration on Children and Families, 1998 [<http://www.acf.dhhs.gov/programs/opre/rd&e.htm>]).

22. Department of Social and Rehabilitation Services, *Family Cap Discussions* (Topeka, KS: Department of Social and Rehabilitation Services, January 27, 1997).

23. CLASP tracked evaluation developments in the 14 original waiver states; CLASP did not track the other nine states that have implemented family cap policies. Of these nine states, five—Connecticut, Florida, Illinois, North Carolina, South Carolina—were required to conduct evaluations as a condition of their waiver. The other four implemented their policies after passage of TANF and are not required to conduct an evaluation. Waiver states choosing to continue their evaluations have been offered support through the Administration on Children and Families. Of the five states that CLASP did not follow that were required to conduct evaluations as a condition of their waiver, four—Connecticut, Florida, Illinois, and North Carolina—will conduct waiver evaluation studies using this funding. States may also choose to fund their own evaluations of the family cap.

24. Family cap findings from Arizona’s experimental research have not yet been released. Their extended evaluation period will end in June, 2002.

25. In Arkansas, capped families had, on average, 0.16 births as compared to control group members, who averaged 0.14 births during the five year waiver period. C. Turturro, B. Benda, and H. Turney. *Arkansas Welfare Waiver Demonstration Project: Final Report* (Little Rock: University of Arkansas at Little Rock, School of Social Work, June 1997).

26. In New Jersey, in contrast to the final report which shows a decrease in births, the preliminary study results did not show conclusive evidence that the cap reduced birth rates. The baseline birth rate (August 1993–July 1994) for the experimental group was 7.2% (.07 births per member), compared to a 7.3% birth rate (.07 births per member) for the control group. In the second time period (August 1994–July 1995), both groups experienced a birth rate reduction; however, the difference between the two groups’ birth rates was not statistically significant: according to the report, experimental group members experienced a 5.64% birth rate compared to a 5.69% birth rate among control group

members. M.J. Camasso, C. Harvey, R. Jagannathan, and M. Killingsworth. *An Interim Report on the Impact of New Jersey's Family Development Program* (New Brunswick, NJ: Rutgers University, July 1996), p. 14. The final evaluation reports a statistically significant effect of the cap in decreasing the birth rate of the experimentals compared to the control.

27. The sample size included 2,892 control group members and 5,510 experimental group members. The analysis of births was drawn from the less than 100 births to control group members that took place each quarter and the slightly larger number of births from the experimental group. Thus, for example, in December 1993, a total of 54 births are attributed to the 2,892 control group and a total of 107 births are attributed to the 5,510 experimental group. In other words, during the quarter, less than 2% of each group gave birth. The relative differences between the groups that are reported in the research findings are statistically significant yet it is also useful to appreciate the modest magnitude of the births among the full study group. *A Final Report on the Impact of New Jersey's Family Development Program Experimental-Control Group Analysis* (New Brunswick, NJ: Rutgers University, 1998) Table 7.1 p.134

28. TANF offers a \$20 million dollar bonus to each of the top five states that demonstrate a reduction in the share of births out-of-wedlock to all women (not just those on AFDC). However, states that fail to show a reduction in their abortion rate will be disqualified from the competition. TANF therefore adds an incentive for states to reduce their abortion rates. States that realize an increase in abortion among their AFDC population but experience an overall abortion rate decline in their general population could remain eligible for the bonus if they meet the birth rate reduction criteria.

29. In Arkansas, evaluators did survey recipients about their views on abortion and found that some recipients considered financial solvency as a factor in deciding whether to have an abortion. In fact, of the women who would have considered having an abortion, 64 percent cited affordability (of raising a child) as a reason for choosing to have an abortion; 29% cited that the pregnancy would interfere with work or school. The Arkansas report included findings from a sub-survey that polled participants about whether abortion was an option for them. Evaluators derived abortion information from participant surveys and "state-supplied" data. However, only 241 participants (of 897 taking the survey) responded to supplemental questions about abortion and their participation in the larger adult survey as control or experimental group members was not identified. (Turturro et al., Op. cit.)

30. New Jersey evaluators found "bleeding" of information between experimental and control groups: "[Evaluation] results provide evidence that some measure of confusion exists among clients as to their experimental/control status. This confusion could have arisen from a) incomplete education of clients on their experimental status by program staff, b) interaction among clients from the two groups, or c) environmental contamination of control group clients due to the high levels of publicity accorded the family cap." M.J. Camasso et al., July 1996, Op. cit., p. 208.

“The extent to which client confusion about control group membership might bias our analysis of birth, abortions and other impacts is under intense study by the project team.” M.J. Camasso et al., July 1996, Op. cit., p. 303.

When this contamination problem was detected 18 months into the experiment, Rutgers researchers sought to correct it by employing a pre-post analysis. They analyzed the entire, non-control group, AFDC recipient caseload prior to experimentation and used findings from this analysis as the baseline against which data collected after treatment could be compared. However, using this type of analysis opened the possibility that trends that could have contributed to perceived fluctuations in birthrates could be overlooked. M.J. Camasso et al., 1996, Op. cit., pp. 53–54. (Additional research pending from Rutgers is also expected to address some of these concerns.)

31. C. Turturro et al., Op. cit.

32. Some of the methodological issues raised by the New Jersey study are explored in greater depth in CLASP’s *New Jersey Cap Evaluation: What do the Findings Suggest*.

33. G. Mills, R. Kornfeld, L. Peck, and A. Werner, *Evaluation of the Arizona EMPOWER Welfare Reform Demonstration: Interim Implementation Status Report* (Cambridge, MA: Abt Associates, Inc., August 1997), p. 23.

34.D. Fein and T.S. Thompson, *The A Better Chance Demonstration: Report on First Year Site Visits* (Bethesda, MD: Abt Associates, Inc., August 1996), p.12 D.

35. D. Fein, E. Beecroft, J. Karweit, P.A. Holcomb, S. Clark, C. O’Brian, and C. Ratcliffe, *The Indiana Welfare Reform Evaluation: Assessing Program Implementation and Early Impacts on Cash Assistance* (Chicago, IL: Abt Associates, Inc., 1997).

36. Turturro et al. Op. cit.

37. “Declaration of Angela B. in Support of Plaintiff’s Motion for a Preliminary Injunction,” *Sojourner v. New Jersey, et al.*, Op. cit., p. 7.

38. The sub-sample of participants in the client study was culled from the experimental (those whose children could become subject to the cap) and control groups studied in the family cap evaluation. M.J. Camasso et al., July 1996, Op. cit., p. 194.

39. Experimental-Control Group Analysis, p.v; Tables 7.14 and 7.21 b&c. Among on-going cases, controls were more likely to use contraceptives in the early years, about 3% more on average; by early 1996, it is the experimental on-going cases that begin to use contraceptive drugs and devices more

often [p.180]. While the 21% and 3% figures are statistically significant, the rate of use among both groups is small. For example, in the quarter ending December 1993, 121 of the 2,892 controls utilized contraceptive drugs or devices, while 265 of the 5,510 experimentals did. Thus, less than 5% of each group used contraceptive drugs or devices. (The study did not collect data about over-the-counter contraceptives and encountered difficulty collecting information about sterilizations.) Experimental-Control Group Analysis, p. 134, Table 7.1.

40. C. Turturro, B. Benda, and H. Turney, *Arkansas Welfare Waiver Demonstration Project: Final Report July, 1994 through June, 1997* (Little Rock, AR: The University of Arkansas at Little Rock, School of Social Work, June 1997), p.39.

41. 42 U.S.C. 602(a)(15). Under TANF, states no longer are required to respond to voluntary requests for family planning services. The only provision pertaining to family planning in TANF is one that allows states to use TANF funds on “pregnancy” family planning services.

42. Over time, “boiler plate” language from DHHS on the family planning link to the family cap changed. Initially, DHHS required that states “offer AFDC applicants family planning services at the time of application or review of eligibility” and that they “ensure that family planning services are geographically accessible and available without delays to all AFDC recipients.” DHHS included in subsequent terms and conditions that recipients “be offered family planning services as required under Section 402(a)(15) in the Social Security Act,” acknowledging language that had been promulgated in previous federal law.

43. C. Turturro et al., Op cit., p. 39.

44. D.J. Fein, E. Beecroft, and J. Karweit, *The Indiana Welfare Reform Evaluation: Assessing Program Implementation and Early Impacts on Cash Assistance*. (Cambridge, MA: Abt Associates, Inc., August 1997).

45. T.J. Martin, M.E. St. André, and J.F. Else, *Nebraska’s Employment First Evaluation: Cost and Participation Analysis Report* (Iowa City, IA: Institute for Social and Economic Development, June 1997).

46. S. Prindle and J.F. Else, *Nebraska’s Employment First Evaluation: Process Study Report* (Iowa City, IA: Institute for Social and Economic Development, May 1997), p. 54.

47. D.J. Fein and T. Thompson. *The A Better Chance Demonstration: Report on First Year Site Visits*. (Cambridge, MA: Abt Associates, Inc., August 1996).

48. Idaho and Wisconsin were not surveyed because their entire recipient populations, not just those who bore additional children, were subject to flat grants. In Wyoming, the cap applies to newborns, children, or older persons added to the grant after the ten-month grace period.

49. Caseload data current as of March 1998. Administration for Children and Families. *Change in Welfare Caseloads (as of March 1998)* (Washington, DC: Department of Health and Human Services, August 1996.) (<http://www.acf.dhhs.gov/news/caseload.htm>)

50. Arkansas evaluators found that “close inspection of percentages of births by age and months employed indicates that births are more likely to occur among employed women than among those unemployed throughout the waiver only for persons who are 25 years of age or younger.” Moreover, researchers concluded that the births were largely a function of the natural timing for family formation based on their analysis of the demographics of rural capped families. B. Benda and R.F. Corwyn, *The Birth Conundrum: Family Cap as Welfare Reform* (Little Rock, Arkansas: University of Arkansas at Little Rock, 1997). p.8.

51. Rutgers researchers found that “women with a capped grant tended to be considerably younger than the other survey respondents. Survey respondents who do not have a capped grant are better educated, but less likely to be in the labor force, compared to survey respondents with a capped grant.” Survey comparison within the experimental group of those clients who had a capped grant and those unaffected by it. M.J. Camasso et al., July 1996, Op. cit., p. 219.

52. In Delaware, Abt and Associates plan to examine indicators of children’s health, education, and development in subsequent evaluation reports.

53. M.J. Camasso et al., Op. cit., pp.187, 222.

54. “Child Trends and state officials jointly developed a list of key measures of child outcomes to track as a supplement to evaluations of adult outcomes. Child Trends will also assist the states in developing the capacity to track these child outcome measures over time.” The project receives support from DHHS, the National Institute for Child Health and Human Development, and private foundations. Child Trends, Inc., *Current Research Projects* (Washington, DC: Child Trends Inc., 1997). <http://www.childtrends.org/research.htm>

55. Arloc Sherman, *Wasting America’s Future* (Washington, DC: CDF, 1994).

56. Federal Interagency Forum on Child and Family Statistics, *America’s Children: Key National Indicators of Well-Being, 1998* (Washington, DC: U.S. GPO, 1998).

57. G.J. Duncan and J. Brooks-Gunn, "Making Welfare Reform Work for Our Youngest Children," *National Center for Children in Poverty News and Issues* 8(1) (Spring 1998), p. 4.
58. "Declaration of John T. Cook in Support of Plaintiff's Motion for a Preliminary Injunction," *Sojourner v. The New Jersey Department of Human Services*, Op. cit., #10.
59. J.L. Aber, "Poverty and Brain Development in Early Childhood," *Child Poverty News & Issues* 7(1), 1997.
60. CSR, Incorporated, *Understanding Youth Development* (Washington, DC: U.S. Department of Health and Human Services, 1997).
61. S.A. Hewlett, *When the Bough Breaks: The Costs of Neglecting Our Children* (New York: HarperCollins Publishers, 1991), p. 57.
62. Among the differences is that Arkansas relied on a small sub-sample of the study group in its analysis of birthrates. Research on birthrates was limited to a 10% random sample of the full study group: 184 in the experimental and 182 in the experimental group.
63. According to the draft analysis, births were decreased by about 140 over what would be expected due to trend and population composition changed while abortions increased by about 240. *A Report on the Impact of New Jersey's Family Development Program: Results from A Pre-Post Analysis of AFDC Case Heads from 1990-1996* (December, 1997) p.139 and p. i. The final report found births decreased ten times more than abortions increased. *A Final Report on the Impact of New Jersey's Family Development Program: Results from a Pre-Post Analysis of AFDC Case Heads from 1990-1996* (July, 1998) p.ii. See also CLASP's *New Jersey's Family Cap Evaluation: What Do the Findings Suggest* for issues raised by the new research.
64. "Each dollar cut from monthly AFDC assistance levels reduces future economic output by between \$0.92 and \$1.51 solely due to the effect of lost years of schooling on productivity." Arloc Sherman. *Op. cit.*.
65. Letter from Governor Bob Miller (Nevada), Chair of the National Governor's Association, to all Governors (July 1997).
66. Thirty-three out of 38 respondent states (87%) reported that they now fund one or more comprehensive programs for young children and families; one year earlier 37 of 50 states (74%) reported such investments; S. Page and J. Knitzer, *Map and Track: State Initiatives for Young Children and Families: Preliminary Findings for the 1998 Updated Edition* (Washington, DC: National Center for Children in Poverty, 1997).

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