BEYOND EMPLOYMENT: THE FAMILY SUPPORT ACT'S POTENTIAL FOR PROMOTING THE HEALTHY DEVELOPMENT OF POOR CHILDREN

a morning workshop with

Nicholas Zill, Ph.D.
Executive Director
Child Trends, Inc.

Lawrence Aber, Ph.D.
Associate Professor of
Psychology
Department of Psychology
Barnard College
Columbia University

Charles Bruner, Ph.D.
Member
Iowa Senate

Liz Dalton
Chief
Office of Social Services
Department of Social and
Health Services
Washington State

Olivia Golden, Ph.D.
Lecturer in Public Policy
Kennedy School of Government
Harvard University

and luncheon commentary by

Barbara Blum
President
Foundation for Child
Development

Dennis Beatrice
Senior Program Advisor for
Health and Human Services
The Pew Charitable Trusts

Tuesday, July 31, 1990
9:30 a.m. to 1:30 p.m.

Hyatt Regency Capitol Hill
400 New Jersey Avenue, N.W.
Capitol Room

If you would like to attend this meeting, please call
Helen Klepac at 872-1390 as soon as possible.

In 1988 Congress overhauled the nation's welfare system, redefining its mission from one of check-writing to one of helping recipients achieve self-sufficiency. The Family Support Act (FSA) may be the largest social experiment designed to assess the extent to which education, job training, and support services can help welfare recipients move into the workforce and stay there.
The law is above all concerned with reducing poverty by moving recipients of Aid to Families with Dependent Children (AFDC) into jobs. Yet consensus is building among poverty researchers that in order to make a lasting reduction in poverty, the developmental needs of poor children must be addressed along with the employability needs of their parents. Many researchers see that new FSA provisions (in particular client assessment, case management, and child care) designed to promote employment for AFDC adults can also focus on the needs of their children.

Why use the Family Support Act, a welfare-to-work law, to help children? The service delivery system for low-income children in the United States is fragmented, and outreach efforts often fail to identify children in need and connect them with appropriate assistance. Yet about half of all poor children are on welfare, making the welfare agency an ideal intake point for identifying at-risk children and brokering services for them.

Not all agree that FSA should be the vehicle to address children's needs. Critics of this approach say that welfare bureaucracies are not designed nor prepared to deal with children's developmental needs and, given their sizeable new assignment of promoting employment, should not be overburdened by children's concerns.

Undoubtedly, states will adopt a variety of approaches to implementing welfare reform, and the more successful programs may inspire Congress to make mid-course corrections in the FSA to help improve outcomes nationally. At the same time, the diversity in welfare reform programs across the states may serve as a national laboratory for the study of questions about welfare dependency and nurturing the development of children in poverty. Insight may be provided into the following questions:

- Is the Family Support Act the most appropriate legislative vehicle for addressing the needs of children on welfare?
- What changes in the structure of welfare agencies need to be made in order for FSA to be responsive to children's needs?
- Should the focus for some AFDC families plagued with multiple problems be upon family support and child development rather than upon welfare-to-work?
- What criteria should be used by welfare agencies to determine which children need intensive services?
- How much can early interventions and family support services for welfare families avert later problems in the child welfare, special education, and juvenile justice systems?
- In many cases FSA will require out-of-home care for infants and preschool children of mothers in education or job training activities. What are the possible negative outcomes for children in these situations? Should any potential negative outcomes due to family stress brought about by the FSA be considered in the implementation of welfare reform?
Should child outcomes be considered in determining the success or failure of the Family Support Act?

At this Forum session, speakers will describe the opportunities FSA provides for addressing the needs of children. Some programs that incorporate children's concerns into welfare-to-work efforts will also be examined. Finally, the difficulties in changing the nature of welfare agencies to incorporate the concerns of AFDC children will be discussed.

The Needs of Children on Welfare

About 7.3 million children are on AFDC in any given month; of these, over three million are below age five. Many were born to teen mothers -- nearly three-fourths of AFDC mothers below age 30 were adolescents when their first child was born. For a significant portion of these children, especially those of long-term welfare mothers, poverty is not the only marker of their disadvantage. Poor children are known to suffer disproportionately from developmental delay, handicapping conditions, and poor nutrition, and to experience school failure, early parenthood, and juvenile delinquency at higher rates than their advantaged peers.

Experts say improving the outlook for healthy development of low-income children hinges on several essential supports. Along with a nurturing parent-child relationship, they need high-quality child care and education, along with adequate health care. In a monograph on FSA and children, entitled One Program, Two Generations, A Report of the Forum on Children and the Family Support Act (prepared for the Foundation for Child Development and the National Center for Children in Poverty), researchers note that the law poses a rare opportunity to link together the services that can produce long-term benefits for disadvantaged children. These supports, listed in the monograph, include services to enhance parenting and family functioning, high-quality child care and education, preventive and primary child health care, basic education and vocational training, and assessment and case management.

The Family Development Grant Program in Iowa provides an example of how a welfare-to-work program can also promote healthy family functioning. A major goal of this multi-site demonstration effort is to enhance the parenting skills of AFDC mothers. Program evaluators found that nearly 60 percent of its long-term dependents were sexually abused as children; nearly 40 percent are the perpetrators of child abuse; and over half are adult children of alcoholics. By helping parents avoid abusing their children, the program seeks to keep the family intact and prevent damaging behavior from being transmitted to the next generation. Program supporters believe there are other benefits to this intervention. If family support efforts are successful, the state's foster care burden is reduced, and a parent's motivation to work may be enhanced by higher self-esteem.

To be sure, not all AFDC children require a lot of intensive services. The work of poverty researcher David Ellwood illuminates
the diversity of the welfare population and suggests the range of their needs. According to Ellwood, most mothers who enter the welfare system are short-timers and need relatively little assistance to regain their independence (remarriage is the primary cause for getting off welfare). Their children may not be mired in the type of environment that works daily to erode human potential.

Yet about 25 percent of those who come onto welfare for the first time will be in the system for more than nine years and will account for about 60 percent of all welfare expenditures. Most long-term dependents are never-married young mothers with preschool-age children when they enter AFDC. School drop-out and lack of work experience are common barriers to their self-sufficiency. Poverty researchers believe that children from these families need more intensive and ongoing help to achieve positive outcomes.

The Central Strategy of FSA

For those policymakers who wish to use FSA to provide help to children in poverty, the challenge is considerable. They must find a way to incorporate child health, development, and family support concerns into a law that is primarily geared toward getting welfare mothers into jobs. At the programmatic level, this means reorienting a welfare system that has traditionally focused on adults and payment procedures to one that addresses children and services that fill their needs.

The Family Support Act, as passed by Congress in 1988, is designed to reduce welfare dependency through two major routes--by preparing AFDC recipients (mostly mothers) to enter the workforce and by enforcing the child support obligations of noncustodial parents. Support services, such as child care, case management, transitional day care, and Medicaid benefits, are supplied for the purpose of moving recipients from welfare to work. To further this goal, the legislation establishes the Jobs Opportunities and Basic Skills (JOBS) program. All states are required to get their JOBS programs operating by October 1990. As of April, 30 states, the District of Columbia, Virgin Islands, and 40 Native American grantees had already begun JOBS.

JOBS requires local welfare agencies to assess a client's needs and develop an action plan to move them toward employment. FSA provides for education, job training, and job readiness activities to help achieve the client's independence. The law also mandates that AFDC parents with children age three and older participate in JOBS or approved employment and training programs and gives states the option to require participation for parents of children age one or older. In addition, AFDC parents younger than 20 who lack a high school diploma are required to participate in full-time educational activities in order to finish high school or earn a GED, no matter what the age of their child. The participation mandate under FSA hinges upon the availability of child care, which the law guarantees to all participants with children under age 13. If child care is not available, clients are excused from participating.
The segment of FSA that applies most directly to children is the child support provision. Stringent enforcement requirements which extend to all absent parents (of AFDC and non-AFDC children) reflect the lawmakers' belief that noncustodial parents should be financially responsible for their children. In FY 1988, 98 percent of AFDC children had two living parents (half of whom were unwed), but 88 percent lived with one parent, usually the mother. Data collected for 1983, however, show that only 18 percent of absent fathers of AFDC children made formal child support payments.

As of November 1, 1990, FSA requires immediate withholding of wages from absent parents of AFDC or non-AFDC children on behalf of families who apply with the state child support enforcement agency for help in getting their payments; beginning January 1, 1994, immediate withholding of child support from wages is required on behalf of all children. The law also orders judges to review the sizes of child support awards periodically and requires states to step up efforts to establish paternity of children served by the child support system.

The collection of child support payments may have a significant impact on the well-being of AFDC families. Pennsylvania's welfare commissioner, John White, predicts that such payments would remove 80,000 recipients from his state's welfare rolls. While good news for state and federal budgets, this outcome may be a mixed bag for welfare families. For some families, the extra bit of income that renders them ineligible for AFDC may also trigger the termination of Medicaid benefits and possibly other social supports granted to AFDC families, such as food stamps, free school meals, and heating assistance.

Helping Children through FSA

With FSA focusing primarily on getting welfare recipients into work, goals for the health, development, and educational achievement of AFDC children are not specified in the act. Yet several provisions -- such as child care, assessment, case management and Medicaid transitional benefits -- which were included to ease the transition to work can do far more than assist the new worker.

Child Care

Under FSA, states must guarantee child care to JOBS participants with children under age 13. To help fund this service, the law provides federal matching funds at the state's Medicaid rate, or at least 60 percent. Federal funding for child care under FSA is an uncapped entitlement, unlike federal matching grants to support states' JOBS programs. The state must reimburse child care costs of at least $175 per month per child ages 2 through 12 and $200 for children under age 2, unless the actual cost is lower. However, the federal government will not provide a matching rate for any care that exceeds the 75th percentile of the local market rate. State options for subsidizing child care include contracting directly with providers, using vouchers, using the earned income
disregard for employed AFDC parents, or using any other method the state deems appropriate.

Federal regulations allow parents to choose from a variety of options. Day care centers and family day care homes are required to meet the standards set by state and local law. Under FSA, states also have the option of allowing the use of unlicensed group care and informal care supplied by relatives or friends. To help match clients with child care arrangements, FSA provides reimbursement for child care resource and referral services and requires that child care under JOBS be coordinated with Head Start and other existing early childhood programs. In addition, FSA mandates that states continue the child care benefit for at least one year after a recipient has gotten a job, but allows states to charge a fee based on earnings.

Children's advocates recognize that FSA presents an opportunity to identify young at-risk children and place them in high-quality developmental programs. Both the uncapped federal reimbursement for child care and the automatic contact with parents whose children could benefit most from high-quality care make FSA an attractive vehicle for brokering and helping to subsidize such care. An appointed staff person could determine which children of JOBS participants suffer from developmental delays or handicapping conditions, or live in environments marked by high stress, child abuse, violence, or substance abuse, advocates suggest. These children could then be directed, with the aid of a child care resource and referral agent, to a program designed to help reduce their risk of developmental damage. Similarly, they say, children with health problems could be placed in programs that provide on-site or linked health services, such as Head Start.

**Assessment and Case Management**

Poverty researchers believe that FSA's case management and assessment functions can do much to identify children's needs and link them and their families with appropriate services. The law requires welfare agencies to assess the client's employability and family circumstances to determine what support services are needed to facilitate work. The initial assessment could also be used to identify the needs of the client's children. This intake point could be especially useful in early detection of any health or developmental problems of infants and toddlers whose teen mothers are in mandatory education programs. For some of these children, the welfare agency is their first contact with the social service system.

Most typically, a case manager in a welfare agency is a person who coordinates a range of services for an AFDC client. Case management is not a mandatory service under FSA, but federal reimbursement funds are available to states for this service. In her study of poor children and welfare reform, Harvard University professor Olivia Golden found that case managers can play a key role in both supporting families and piecing together a fragmented social service system.
In a number of sites she visited, Golden found that case managers worked hard to develop a personal relationship of trust with their clients, often by visiting the families at home. This closeness allowed them to intervene on behalf of the family in a number of ways, including watching for signs of developmental problems or neglect in a particular child and counseling parents to help defuse any violent episodes that would threaten removal of their children. Through her research, Golden found that case managers also taught parenting skills informally in a number of sites.

In addition, she learned that case managers were more than just brokers for directing clients to services. In many cases they were advocates to other agencies on their clients' behalf to ensure that services were provided.

Health Care

Under the Family Support Act, families leaving AFDC because of employment remain eligible for Medicaid benefits for one year. During the second six months, states can charge a premium if family income exceeds the federal poverty line. The transitional Medicaid benefit was included in the law to remove — albeit temporarily — a significant employment disincentive. This is the only provision of the law that explicitly relates to the health of AFDC children.

There are, however, opportunities implicit in FSA to promote child and family health. For example, One Program, Two Generations suggests that welfare agencies could provide health education to AFDC parents, informing them about the health needs of their children, the prevention of child injuries, and family planning services.

FSA could also help to strengthen the Early and Periodic Screening, Diagnosis, and Treatment program (EPSDT), a part of Medicaid that provides preventive care and treatment to low-income children. In 1988, only 31 percent of children eligible for EPSDT received screening examinations, in part due to the limited outreach efforts of many states — a situation that FSA offers an opportunity of improving. Because welfare agencies would be serving the parents of the EPSDT population, they could do a lot to educate parents about the program and encourage their children's participation.

Minnesota is one state that has made child health a formal goal of its welfare reform efforts. State legislation to enact FSA requires that all AFDC recipients be informed about EPSDT during their JOBS orientations and that results of EPSDT screenings be reviewed when JOBS participants are assessed. In addition, case managers, who in Minnesota work with long-term welfare recipients, are required to encourage their clients to have children screened.

While efforts such as the one in Minnesota are hopeful, the great drawback of FSA, as it relates to family health, is that Medicaid benefits cease after one year of a recipient's employment. Any ongoing treatment provided to an AFDC child through EPSDT would stop, unless the newly working parent received health care benefits.
through her or his job and coverage was comprehensive enough to pay for the treatment prescribed. Yet the odds of a worker freshly off of welfare receiving adequate health benefits through a job are low. Many small employers in the retail and service industries offer no health benefits. Among employers with 100 employees or more, only 32 percent of workers receive fully paid family coverage, according to the Commerce Department. The prospect of having to pay large premiums for health care access may mean that some low-wage employees will forfeit health care coverage for a bigger family income.

Barriers to Success

Many children's advocates see in the Family Support Act promise for weaving together the nation's fragmented service systems for children, as well as identifying early the needs of at-risk children. Others believe that this focus may hinder efforts to find new jobs that will give former welfare recipients the ability to provide for the needs of their children. Still others believe that those in poverty do need help from the public sector but that the overburdened welfare system cannot be all things to all people. Solutions to the problems of children at risk, they say, should be found through other means.

Even those who advocate making FSA more responsive to children recognize that a number of institutional realities would have to be overcome. For instance, as Golden points out, with typical caseloads of between 150 and 400, welfare workers have a lot of things to worry about other than the needs of their clients' children. The task of getting many of these recipients into jobs is daunting enough.

Special training of welfare agency workers is another concern. Most are not trained to detect developmental or health problems in children, nor are they very aware of services provided by other agencies that help children. In fact, in many welfare agencies there is no formal mechanism for coordinating with other social service agencies that serve children.

In addition, a number of barriers now exist that may prevent the child care provisions from being implemented in the best interests of children. These include the expense of early intervention efforts which may lower the number of children served by FSA child care funds; the difficulties of coordinating with other early childhood programs which often involve ironing out conflicting regulations and program schedules; and the inability to use FSA child care monies to increase the supply of child care by, for example, subsidizing capital expansion or hiring extra staff.

Despite these challenges, many experts say that ignoring the needs of children under FSA could be shortsighted, if not damaging, in the long run. In practice, FSA may prove disruptive to some low-income families. Separating mothers from their young children and placing them in out-of-home care -- especially where quality standards may not exist -- could produce negative outcomes for the
children of JOBS clients. Children's advocates say the long-term success of FSA should be judged according to child outcomes as well as the program's ability to put welfare recipients into jobs.

The Forum Session

The first speaker, Nicholas Zill, Ph.D., will begin the session by presenting new data on the characteristics of AFDC families, including family size, average I.Q. of welfare mothers, and family histories of substance abuse. Dr. Zill is president of Child Trends, Inc., a non-profit research organization in Washington, D.C. He is an expert on the use of surveys and statistics to monitor the health, development, and well-being of U.S. children and families. Dr. Zill is currently assisting in a five-year longitudinal evaluation of the effects of the new JOBS program on young AFDC children and their families. Previously, he was a senior staff scientist with the Foundation for Child Development and a staff associate with the Washington office of the Social Science Research Council.

Lawrence Aber, Ph.D., associate professor of developmental psychology at Barnard College, Columbia University, will provide an overview of the different pathways by which family participation in JOBS could affect children and discuss the directions that research might take in order to determine which provisions of FSA truly benefit children. Dr. Aber, also director of the Barnard Center for Toddler Development, served on the National Academy of Science Panel on Child Care Policy. Before coming to Barnard, Dr. Aber was staff director for the Edna McConnell Clark Foundation's National Study Panel on the Future of Services to Children and their Families.

Olivia Golden, Ph.D., lecturer in public policy at Harvard University's Kennedy School of Government, will discuss the findings of her recent study of case management in serving the needs of children and families under FSA. Professor Golden has written and spoken extensively on innovation in human service delivery systems and in her current position, advises practitioners in the fields of children's services and poverty policy. Dr. Golden served from 1983 to 1985 as the budget director for the Massachusetts Executive Office of Human Services.

Charles Bruner, Ph.D., state senator from Iowa, will follow with a discussion of Iowa's Family Development Grant Program, a multi-site demonstration effort that links family support and education with welfare-to-work efforts. He recently developed legislation establishing programs for "at-risk" youth that seek to link education, human service, and employment programs. Dr. Bruner is also the executive director of the Child and Family Policy Center, a nonprofit research center in Iowa.

Liz Dalton, chief of the Office of Social Services in the state of Washington's Department of Social and Health Services, will describe her state's efforts in helping pregnant teens on AFDC deliver healthy babies and then become oriented to the concept of work. She will also discuss the problems Washington is having with
implementing the child care portion of their Family Independence Program. Ms. Dalton began her professional career as a social worker for Children's Services in Alaska in 1973; since then she has worked in state government in a variety of capacities, including regional program manager for Washington's Bureau of Children's Services. She assumed her current position in 1988.

Barbara Blum, president of the Foundation for Child Development, will be the Forum's luncheon speaker. Ms. Blum will discuss the importance of coordinating the provision of social services to welfare recipients under one roof, a concept known as neighborhood-based services. Before coming to the foundation, Ms. Blum served as president of the Manpower Demonstration Research Corporation. Earlier, she worked for sixteen years in public agencies in New York City and New York State; her most recent public position was as commissioner of social services for New York State.

Dennis Beatrice, senior program advisor for Health and Human Services at the Pew Charitable Trusts, will make additional comments on opportunities for promoting child health through FSA. Before coming to Pew, Mr. Beatrice was associate commissioner for the Department of Human Services in New Jersey. Previously, he was a senior research associate and instructor at Brandeis University's Health Policy Center. Mr. Beatrice has written extensively on Medicaid reform and other health care policy matters.

*****

Jane Koppelman
Senior Research Associate

Judith Miller Jones
Director