

**The Impact of Welfare Reform on California
Grandparents Raising Grandchildren**

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SUMMARY

When the Personal Responsibility and Work Opportunity Act was passed in 1996, fundamentally changing the structure of welfare for low income families, much speculation occurred concerning its potential positive and negative impacts on poor mothers and their children. Largely ignored in the debate, however, was the fact that increasing numbers of those likely to be affected were not parents but grandparents who had become primary caregivers to their grandchildren.

The 1990 census revealed close to a 44% increase over the preceding decade in the number of children living with, and often being raised by, their grandparents. In a third of these homes, neither of the children's parents was present, often making the grandparent the sole or primary caregiver. This trend has continued, and by 1997, 5.5% of America's children, including approximately 425,000 California children, were living in grandparent headed households.

The dramatic increase in intergenerational households headed by grandparents, the disproportionate rates of poverty in these households, and the fact that the Aid to Families with Dependent Children program (AFDC) historically has been the largest single source of aid for grandparent caregivers, suggest that the effects of the abolition of AFDC and its replacement with "Temporary Assistance to Needy Families" (TANF) needs to be considered in broad, multi-generational perspective. Data also are needed on the proportion of California's AFDC (now TANF) recipients who are grandparent caregivers and their social and demographic characteristics.

This report reviews the federal welfare reform legislation, and the subsequent development and implementation of California's welfare reform legislation, CalWORKS (California Work Opportunities and Responsibilities to Kids), with particular attention to their relevance for California's grandparents raising grandchildren. The paper then presents a profile of the state's older caregivers that recently utilized AFDC, and the pattern of their welfare use over the previous eight years. These quantitative findings are supplemented with the results of our qualitative study of the views of 36 key informants who were asked to assess the potential impacts of welfare reform on the state's grandparent caregivers and their families, and on the child welfare service system charged with helping to meet their needs. The respondents, who included policy analysts, providers, health and social service administrators and grandparent caregivers, were selected to represent a broad array of stakeholders in California's welfare reform process, and they offered a wide range of viewpoints on the possible positive and negative impacts of welfare reform on grandparents raising grandchildren. Drawing on quantitative and qualitative findings, we conclude by summarizing the potential impacts of welfare reform on California's grandparents raising grandchildren, and on the child welfare service system in relation to its work with such families. The paper includes a discussion of the political debate vis a vis this population, a profile of California's AFDC/TANF caregiver population, and the opinions and concerns of a variety of stakeholders on how specific provisions within the law, such as work requirements and time limits, might be expected to impact relative caregivers. To that end, no particular section is meant to stand alone as

the centerpiece of the report. Rather, the aim is to present these different components in the hopes that together they help illuminate the neglected area of welfare reform for relative caregivers.

Welfare Reform Plans on the Federal and State Level

The Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193) of 1996 dramatically changed the structure and approach of welfare in the United States. The Act block grants Emergency Assistance (EA), AFDC, and the JOBS (Job Opportunities in the Business Sector) program into a single capped grant to states and places federal child care funding into a separate block grant. The new approach to welfare funding makes numerous changes to the provision of health and social services, and increases states' discretion to revise welfare and child care program administration. The Act also shifts the focus of welfare from family maintenance through government-supported financial assistance to family economic self-sufficiency through paid employment.

The federal welfare block grant program entitled TANF encourages employment and personal responsibility by mandating states to provide financial benefits to families on a temporary basis, having a work requirement as a condition of receiving aid, and providing incentives for recipients to transition off welfare. In order to receive federal assistance, families will be required to: (1) work after two years on financial assistance and (2) adhere to particular behavioral criteria in order to continue receiving benefits. In addition, recipients only are eligible for federal aid for up to five years. However, states are allowed to exempt up to 20% of their average monthly caseloads from this five-year time limit and can determine the guidelines they will use to excuse families from this time limit. States further must develop objective criteria for ensuring equitable treatment of their welfare recipients under the federal TANF program.

California's new approach to welfare replaces the Greater Avenues to Independence (GAIN) program and Aid to Families with Dependent Children (AFDC) with the California Work Opportunities and Responsibility to Kids (CalWORKs) program. This new program consists of a cash aid component and a Welfare-to-Work program. While CalWORKs replaced AFDC and GAIN, the new public assistance program retains many of the eligibility standards, benefits, services, and requirements of these former programs. Despite these areas of consistency, however, the increased percentage of aid recipients required to participate in work activities, the wider array of support services, and new limits on aid receipt all reflect the national change in objectives from welfare to work for aid recipients.

Child Welfare and the Interaction with Welfare Programs

Welfare reform has come at a time when the state's child welfare system is undergoing significant change as well. Unlike the welfare program, which is designed to

protect poor families from the uncertainty of the labor market, the goal of the child welfare system is to protect children from abuse and neglect by their parents (Frame, in press). Parents experiencing difficulties may be provided an array of home-based services in order to prevent family break-up, but in some circumstances, children's protection requires placement in out-of-home care. The path to placement involves significant administrative and judicial oversight, with the final determination regarding child placement residing with a juvenile court judge. While foster parents provided care to large numbers of children in previous decades, the child welfare system recently has witnessed the increasing utilization of relatives (i.e., "kin") as children's care providers (Berrick, 1998). Fully half of California's child welfare caseload now includes children placed in "kinship foster care" (Needell, Webster, Barth, & Armijo, 1997).

California provides federal/state subsidies to kinship caregivers in a two-tiered system. About 60% of kin receive a foster care subsidy, while the remainder receive a child-only welfare payment. Some kin who are financially needy themselves may also receive a welfare family grant. Because of the two-tiered funding structure, some kin must balance the competing requirements of the child welfare system, with the additional demands of the welfare system. How these interactions play out under welfare reform could not be predicted at the time of the policy's implementation, yet questions concerning the overlap in program participation and the challenges for kin associated with welfare reform bear close examination.

Data and Methods

The research that forms the basis of this report utilized both quantitative and qualitative data collection methods. The quantitative data collected in our study offer important insights into the magnitude and demographics of grandparent caregiving among the state's AFDC population. As noted below, however, they shed little light on how various stipulations within welfare reform might impact on this sub-group, and on the child welfare service system charged with helping to meet their needs. The qualitative survey also summarized below helped provide context for our analysis by offering some initial insights in the latter domain.

Quantitative Data To develop a profile of California's older (50+) caregivers raising children on AFDC, we used data from California's MediCal Eligibility Data System (MEDS). Longitudinal files containing both the full MEDS population (over 13 million since 1987) and a 10% random sample were utilized to develop a demographic profile of older caregivers, and to calculate time on aid and the likelihood of reaching time limits (As will be discussed later, not all older caregivers receive benefits for themselves, and those caregiver headed households which constitute "child only" cases are not subject to CalWORKS requirements).

Since MEDS does not contain information on the relationship of household head to other family members, we used the cutoff of 50 or older to characterize those heads of household likely to be relative caregivers. Although missing some grandparent

caregivers who are under age 50, this technique captures the great majority of caregivers who are older (50-59) and the small but growing number who are "elderly" (60+).

Qualitative Data As noted above, to complement the quantitative component of this study, we conducted semi-structured interviews with 36 key informants who were chosen to represent a wide range of stakeholders in the welfare reform process (See Appendix B). Key informant interviews increasingly are being used in the early stages of policy-related research, before hard outcome data are available to enable empirically based analysis of the outcomes of recently implemented legislation. Although the findings of such studies are speculative and cannot be generalized, they can provide rich insights into the perceptions of a diverse group of knowledgeable individuals regarding a new measure, which in turn can generate useful questions for further research.

The groups we sought to have represented were key legislative personnel who had been active in the debate and/or the subsequent crafting of the legislation; directors of aging and social welfare agencies and programs on the state and local levels; health and social service providers; and grandparent caregivers themselves. Although covering a wide terrain, most of the interview time was devoted to seeking respondents' impressions of the likely impacts of time limits, work requirements and other key provisions of welfare reform on grandparent headed households and on the child welfare system serving them. Open and closed ended interviews lasting approximately one half hour were conducted by phone or in person with each respondent. As noted in the interview schedule (See Appendix C) participants were asked to comment on the potential advantages and disadvantages of the various welfare reform stipulations under discussion. The breadth and diversity of sample members contributed to our receipt of a wide range of opinions and insights which, together with the earlier quantitative data, helped inform the analysis which concludes our report.

California's Older Caregivers Raising Children on Welfare: Who are They?

Most older caregivers who received AFDC for themselves and the children in their care during the period 1988-1996 were between ages 50 and 59, (approximately 17,000 in 1996, or 3% of the total state caseload) with a much smaller proportion aged 60 and above (about 2,000 or .03% of the caseload). Over 85% of these caregivers were single. Although most were raising only one child, fully 40% were raising two or more, with close to 8% having four or more children in their care. When compared to the state's younger (18-49) AFDC caregiver population, older caregivers were less likely to be African American (13%) and white (21%) and more likely to be Hispanic (42%) or to belong to another racial ethnic group (23%). This racial/ethnic breakdown, however, probably masks the disproportionate number of African American grandparents below age 50 who are invisible in this analysis. Although concrete data are unavailable, the fact that one in four African American grandparents raises a grandchild at some point (Sczinovacz, 1998), compared to approximately 1 in 10 white grandparents (Fuller-Thomson et. al, 1998), and the significantly earlier age at first childbearing among

African Americans, suggest that the number of younger (<50) African American grandparent caregivers may be substantial.

A small but rapidly growing group of older grandparents and other relatives received welfare solely for the children in their care. By 1996, 17% of the state's AFDC caseload consisted of "child only" cases, up from 11% in 1990. We were unable to determine from extant data sources whether this rate of increase was driven primarily by the upswing in grandparent caregiver households or by immigrant families. Although our data analysis ended with 1996, moreover, this trend has continued. By 1998, 28% of California's welfare caseload was made up of "child only" cases, and therefore were not subject to time limits and work requirements under federal welfare law. This is considerably lower than the 40-50% figures reported for many southern states (Vobejda and Havemann, 1999), but it nevertheless is substantial. In California, more "child only" cases are made up of immigrant families than of grandparent headed families, but the latter remain a significant group.

Growth in the Older Caregiver Population

The five years from 1990 to 1996 saw more than a doubling in the number of older relative caregiver households on AFDC in California, from 8,674 (1.3%) to 19,069 (3%) excluding "child only" cases. This represents a substantially faster growth rate than was observed in younger (<age 50) AFDC households, whose growth rate was 50%. The rapid growth in the number of older caregivers on AFDC represents the continuation of a trend that began in the 1980s and reflects, in part, legal mandates and related changes in child welfare reimbursement policies and practices that significantly increased placement with relatives (Berrick and Needlell, in press). Yet a variety of other social factors also have played an important role, key among them the drug epidemic; divorce; teen pregnancy; youth unemployment; HIV/AIDS, and dramatic increases in female incarceration, which grew six fold over the last decade and a half (Burnette, 1997; Dept. of Justice, 1997; Harden et. al, 1997; Minkler, in press). Many of these social problems have in turn led to a dramatic increase in single headed households, which in and of itself appears to increase the likelihood of children entering grandparental care (Harden et. al, 1997). Finally, and also critically related to many of the above trends is the rise of "skipped generation" families comprised of grandparents and their grandchildren with the middle or parent generation absent. In such families, which nearly tripled in size between 1990 and 1994 (U.S. Bureau of the Census, 1996) grandparents are considerably more likely to receive AFDC than in families where the children's biological parents are present.

Time on Aid

Older (50-59) and elderly (60+) caregivers were less likely to have been on aid for 5 years and 2 years respectively than were younger recipients. However, 12% of older caregivers who began receiving aid in 1988-1989 would have hit a five year time limit,

and 30% a 2 year time limit, as would 0% and 18% of those aged 60 and over, had time limits been in place. The comparative figures for younger aid recipients are 25% (5 years) and 32% (2 years). Although some of those who left AFDC may have been transitioning to other, more stable sources of assistance (e.g., Social Security or Supplemental Security Income [SSI]), existing data sets do not provide information on the numbers that make these transitions.

Reflections from the Field: Welfare Reform and Grandparent Caregivers

The qualitative component of this study revealed a wide range of opinions and observations by our 36 key informants concerning the possible impacts of major aspects of welfare reform on grandparent caregivers. Our respondents were heavily divided, for example, concerning the likely effects of time limits, work requirements, and sanctions related to teenage mothers. While some were concerned that these stipulations may unfairly penalize relative caregivers and/or increase the number of children in their care, others spoke of the positive features of the stipulations, and anticipated no real change in caregiving trends as a consequence. In contrast to this diversity of opinion, two areas-- family caps and interstate disincentives-- elicited much more uniform reaction, with the great majority of informants troubled that these stipulations could adversely effect children and their grandparent caregivers.

Key among the issues raised in our interviews were the challenges of (1) balancing concerns for equity with other issues of fairness in the treatment of grandparent caregivers and other groups (2) breaking the cycle of teen pregnancy without pressuring increased numbers of grandparents into becoming caregivers and (3) insuring adequate job and child care supports in conjunction with time limits, work requirements, and the like. The critical need for data on the number of relative caregivers who may be affected by welfare reform, and on the nature and scope of the changes taking place, also was stressed.

Reflections From The Field: Welfare Reform, grandparent caregivers and kinship care

Most of our informants expected kinship care to increase in the new era of welfare reform, but they were quite divided as to why this would occur. Beyond formal placement by child welfare officials, for example, some anticipated that more subtle changes in family formation may take place. Several thus suggested that more parents may turn to their relatives in times of difficulty. On the positive side, this was seen as potentially resulting in children's being relinquished to their kin prior to reports of child abuse. Other respondents, however, expressed concern that sanctions which increase the stresses experienced by biological parents may translate into adverse outcomes for other family members, including grandparents who might be pressured to take in children, and both children and older caregivers who might experience abuse at the hands of the middle generation.

Respondents pointed up both the benefits and the problematic aspects of the fact that the transformed welfare program will bring many more families under the surveillance of county workers who will be required to monitor child rearing activities such as school attendance and immunizations. Improved child health and welfare outcomes were seen as positive potential outcomes of this surveillance, while increased stresses on the children's parents and relative caregivers were viewed as potentially negative effects.

Changes in child welfare law were seen by some of our respondents as rapidly colliding with welfare reform. Several key informants held that new laws expediting permanence for very young children might pose special challenges for kin who provide care for children who transition to out-of-home care as a result of welfare reform. Grandparents, it was suggested, will need to think ahead about their potential long-term relationship to their grandchildren when they are asked to provide foster care, since they may be encouraged, eventually, to make a long-term legal commitment to the children. Finally, collecting outcome data was seen by many of our informants as critical if we are to be able to accurately gauge the positive and negative impacts of the new structure of welfare on grandparent caregivers and other population groups.

As noted above, although the findings of this portion of our study were highly speculative in nature, they pointed up a number of possible hypotheses for further testing through both qualitative and quantitative methods as the welfare reform implementation process continues.

Conclusion

Welfare reform can provide a variety of important opportunities for families to improve their economic well-being and to secure a more comfortable living standard for children. Nevertheless, important sub-groups should be followed closely to determine whether these beneficial effects are realized. Older, poor relatives constitute one of these subgroups whose circumstances are largely unknown to public officials. The data analysis presented in this report suggests that although the number of these caregivers is small, this population may be one of the fastest growing in the welfare caseload. Strategies are needed to track the characteristics of relative caregivers and the special circumstances of their families. This report represents an initial effort to help meet this need, and to demonstrate the utility of both key informant interviews and quantitative methods for the subsequent collection of detailed and comprehensive data to inform the policymaking process as welfare reform unfolds into the next millennium.

1. INTRODUCTION

For over six decades, the primary income support program available to poor, single mothers and their children was Aid to Families with Dependent Children (AFDC). A cash aid program developed under the Social Security Act of 1935, its purpose was to assist children who had lost the financial support of one of their parents (usually their father), largely due to circumstances beyond their mother's control (Garfinkel & McLanahan, 1986). The program was initially designed for children whose fathers had abandoned them either through divorce, death, or desertion. Yet the circumstances of children, their parents, and societal standards changed so that sixty years later, the program came under severe criticism from public policy makers, welfare administrators, and the public at large (Farkas, 1995; Weaver, Shapiro, & Jacobs, 1996). Public displeasure with the program grew increasingly strident as welfare rolls continued to climb. In the late 1980s and early 1990s, caseload growth in the AFDC program was substantial. From 1989 to 1993, the number of families receiving aid grew by more than 30 percent (U.S. House of Representatives, 1996).

Following these expansions, the federal government embarked upon a significant overhaul of the country's principal income support program for poor families. The Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193), enacted in 1996, fundamentally changed the structure and approach of financial assistance for poor families. The law abolished the AFDC program and replaced it with a policy whose name suggests the new purpose of aid. "Temporary Assistance for Needy Families," or TANF reflected the country's dissatisfaction with previous public aid mechanisms and ushered in a new era of income support. The policy can be distinguished from its predecessor by several features including (1) elimination of income-eligible poor families' entitlement to aid; (2) a shift in program financing from open-ended federal funding to a block grant; (3) time limits on aid; (4) work requirements; and (5) the addition of eligibility criteria based upon strict behavioral requirements.

This report begins with a brief review of the federal welfare reform legislation, and of the subsequent development and implementation of California's welfare reform legislation, CalWORKS. Drawing on a variety of sources including interviews with a number of key players in the crafting of the State's welfare reform legislation, we then examine the nature and substance of the discussion and debate in Sacramento in the Spring of 1997 that culminated in the new legislation (AB 1542, 1997). To create a context for better understanding the potential impacts of welfare reform on California's grandparent caregivers, we then present a profile of the state's older (50+) caregivers raising children on AFDC. In addition to examining their socio-demographic characteristics, we determine the length of time members remained on aid--a factor with particular salience for our subsequent discussion of time limits and other provisions within the state's welfare reform plan.

Following these quantitative data, we present findings from our qualitative examination of the attitudes of a wide range of stakeholders concerning the potential impacts of welfare reform on relative caregivers and on the child welfare services system changed with helping to meet their needs. Drawing on our qualitative and quantitative findings, we conclude with a brief analysis of the potential impacts of welfare reform on California grandparents raising grandchildren.

2. WELFARE IN A CHANGING STATE AND FEDERAL ENVIRONMENT

Prior to the implementation of the new law, poor families who met income and asset tests were eligible for, and were therefore entitled to receive, cash aid through a combination of federal, state, and county funding mechanisms. The entitlement to AFDC guaranteed that the poorest families could receive assistance until their personal income rose above a predetermined threshold, or until their youngest child turned 18. During times of caseload growth, state officials applied to the federal government for increased funding; significant expenditure increases were largely controlled through statewide incremental benefit reductions or, in times of low unemployment, reduced caseloads. Under TANF, the entitlement to aid has been eliminated. States will now receive a block grant of funding from the federal government that replaces AFDC, Job Opportunities and Basic Skills Training Program (JOBS)¹, and Emergency Assistance (EA) to spend on the TANF caseload. If costs exceed federal allocations (plus state contributions), state and local authorities will be required to assume responsibility for the additional costs, or may reduce costs either through grant cuts, time limits, or restrictions on eligibility. States are required to maintain at least 75-80% of their previous financial contributions to AFDC or face federal financial penalties--called a "Maintenance of Effort" requirement (MOE).² This component of the federal law was developed, in part, to ensure that states would not abandon or significantly reduce their financial contributions toward the program.

While states may use time limits as a strategy for reducing costs, federal law also compels states to impose aid in a time-limited environment. Under the federal law, families will only be eligible for federal aid for 60 cumulative months (five years), with discretion left to the states to reduce that time if desired. Families may experience multiple spells on aid, but each month counts toward the ultimate 60 month limit. Initial implementation of the TANF legislation suggests that many states have set strict time limits well below the federal five-year guidelines (Gallagher, Gallagher, Perese, Schreiber, & Watson, 1998). States are permitted to exempt up to 20 percent of their caseload from federal time limits and are given full discretion to determine which families should be released from the time limit requirements. Costs for exemptions

¹ California's version of the federal JOBS program is entitled GAIN – Greater Avenues to Independence.

² States are required to spend 75% of their "historical expenditures" if they meet their TANF work requirements. For those states that do not meet the work requirement quotas, their MOE equals 80% of historical spending (U.S. House of Representatives, 1998).

beyond 20 percent must be borne by the state.

In addition to time limits, states now are required to impose work requirements on recipients who have received assistance for two years. Single parents are required to work a minimum of 30 hours per week and two-parent families must work 35 hours per week in either unsubsidized or subsidized employment. Other types of activities states may allow as work include on-the-job training, work experience, community service, up to 12 months of vocational training, or providing child care to individuals participating in community service.

The new bill also allows considerable leeway for states to develop criteria for denying or reducing aid based upon the behavior of adult recipients. These provisions allow states to target benefits not based upon need, as in the AFDC program, but rather, based upon the conduct of the largely female, single-parent population. Sanctions may apply for failure to comply with paternity establishment. Unmarried minor parents may not receive aid unless living with an adult or in an adult-supervised setting. Sanctions may apply to women who give birth to an additional child while on aid, and to those whose children are not immunized or do not regularly attend school. Finally, adult recipients are barred from aid for life if they are convicted of a drug felony (states may opt out of this last provision by establishing legislation affirmatively allowing aid to drug felons). These provisions in the federal legislation are emblematic of the new emphasis on behavior as well as income in determining standards for eligibility to aid.

California's Welfare Reform³

The federal bill provided broad guidelines for developing state law. California's implementation language for the federal bill was designed during the 1996-97 legislative session and resulted in AB 1542 (Introduced by Assembly Members Ducheny and Ashburn and Senators Thompson and Maddy). The new legislation, the California Work Opportunities and Responsibilities to Kids program—CalWORKS—authorizes county public and private agencies to develop a comprehensive delivery plan for welfare-to-work services at the local level. Counties were required to present plans to the Department of Social Services that identified and described (1) the range of employment and supportive services they would supply, (2) collaborative efforts between agencies in providing services, (3) training requirements for county workers involved in CalWORKS, (4) input from the private sector and the general public in developing welfare-to-work plans, (5) performance outcome measures and (6) a program budget. Implementation of the program was mandated to have occurred by January 1, 1999, with all present recipients fully enrolled.

³ The following section was derived, in part, from Pernas, M. (1998). Welfare reform in California: What is CalWORKS? In Child Welfare Research Center. Child welfare in a CalWORKS environment: An empirically-based curriculum. University of California at Berkeley, School of Social Welfare.

CalWORKS delineates a sequence of welfare-to-work services for adult recipients. The first phase of participation consists of a period of up to four weeks of job search after an initial assessment of the recipient's employment background. If the initial job search does not result in paid employment, the participant and the county enter into a welfare-to-work plan, based on an assessment of the individual's skills and needs. The individual must complete the assigned work responsibilities or prescribed services. Work activities can include public or private sector employment, paid or unpaid work experience, on-site employment training, education directly associated with employment, and treatment services for participants with mental health, substance abuse, or domestic violence problems. The adult in a single parent assistance unit must participate in work activities at least 26 hours per week beginning July 1, 1998, and 32 hours per week by July 1, 1999. The last phase of participation includes community service for individuals who after 18 or 24 months on aid, have been unable to obtain unsubsidized employment for enough hours to meet their participation requirement.

Child care assistance will be available for all families who are participating in welfare-to-work activities or are in the process of leaving welfare for paid employment through a three level child care structure. Stage I is funded with TANF dollars and is directed primarily to CalWORKS recipients during their first six months of receiving assistance or until the county determines that their assigned work activities become stable and that funds are available to provide stage II child care services. In stage II, responsibility for child care is shifted to the California Department of Education-contracted Alternative Payment Program agencies. Recipients can receive stage II child care funding when their work responsibilities become steady and for up to two years after their transition off TANF aid. Families may transition to stage III care after two years depending upon the family's eligibility and child care availability.⁴

In addition to work requirements, the CalWORKS legislation specifies a time period of 24 cumulative months within which recipients must become employed in order to continue receiving cash assistance if they were on aid at the time a county implemented its CalWORKS plan. Individuals who begin participation in the CalWORKS program after its implementation will have 18 months of assistance and services to become employed. Counties can extend the limit to 24 months for specific individuals if additional services may lead to employment or if employment is not currently available in the local area. If the county determines that no employment is available for a participant who reaches the time limit, the county must provide the recipient with a community service position until paid employment is obtained. The state law also limits recipients to the national five year lifetime term to aid. After the five year lifetime limit is reached, the adult is removed from the assistance unit unless the adult meets the criteria for an exception, although the children remain eligible for financial benefits through a child-only grant. At county option, the adult may continue to be

⁴ CalWORKS child care services were clarified with the passage of AB 2779, signed into law on August 21, 1998. In that bill, all CalWORKS recipients, including relatives, with a need for child care, and who are also involved in work-related activities, or who are working are eligible for CalWORKS child care.

eligible for some or all CalWORKS services.

CalWORKS allows exemptions from the work requirements and the time limits for certain groups of recipients. Exemptions from the 18-24 month work requirements are provided for the following individuals:

- A child under 16
- A child 16-18 who is attending school full-time
- A teen parent 19 or younger enrolled in the CalLearn program;
- an individual who is medically verified by a doctor as being disabled and for whom the condition is likely to last for more than 30 days;
- an individual who is providing care for a disabled family member, if the caretaking inhibits work activities;
- a woman who is caring for an infant six months of age or younger and who can receive a first-time exemption (counties can extend or shrink this exemption from 12 weeks to 12 months; a twelve week exemption for subsequent infants can be extended for up to six months);
- a pregnant woman whose condition impedes her from participating in the work requirements;
- *some informal and formal kinship caregivers;*

Several issues pertaining to time limits, work requirements, and exemptions were written into the California law that directly and indirectly affect older adult caregivers raising their relatives' children. These issues are especially important as relatives are playing a rapidly increasing role in the care and support of children in California and the U.S. (Harden, Clark, & Maguire, 1997); some poor, older caregivers may also rely on public assistance in order to carry out this function.

The exemptions for relative caregivers are somewhat complex as they differ depending upon whether the caregiver is receiving a family grant or a child-only grant; whether the caregiver is raising a child independently (i.e., without formal placement by or involvement with the child welfare system) or whether the care is being provided under the foster care system. Below we provide some general background on each of these matters so that the implications of welfare reform for these older caregivers can be clarified.

Kinship Care, Child Welfare, and Government Support

Informal kinship care refers to those relatives related by blood who provide daily caregiving to a child in the absence of or at the behest of the child's parent(s). According to 1997 data, about 5.5% of all children in the U.S. live in a relative-headed household; the majority of these children live with a grandparent⁵ (Lugaila, 1998). During the

⁵ Throughout the remainder of this document "grandparent" and "relative caregiver" will be used interchangeably.

1990s, moreover, by far the most substantial growth in households maintained by grandparents has been in those “skipped generation” households in which neither of the child’s biological parents is present (Bryson and Casper, 1999). California figures suggest that about 180,464 children were living in informal kinship care in 1990, or about 2.3 percent of the child population (Harden, Clark, & Maguire, 1997). Although the total number of children living with grandparents in the state is impossible to gauge using current data, census analysts suggest that as many as 425,000 California children may be living with their grandparents, with many more residing with other relatives (Bryson, 1998).

In contrast for informal kin care, *formal kinship care* refers to those relatives who offer regular care to dependent children in the foster care system. Unlike welfare, which is designed to protect poor families from the uncertainty of the labor market, the goal of the child welfare system is to protect children from abuse and neglect by their parents (Frame, in press). Parents experiencing difficulties may be provided an array of home-based services in order to prevent family break-up, but in some circumstances, children’s protection requires placement in out-of-home care. The path to placement involves significant administrative and judicial oversight, with the final determination regarding child placement residing with a juvenile court judge. Significant discretion may be exercised by child welfare workers in recommending child placement, and by judges, depending upon the jurisdiction of the case, the case characteristics, and other factors. According to federal law (P.L. 96-272), children should only be removed from the home if they are at risk of harm and “reasonable efforts” have been made in order to preserve the family. Once a child is placed in care, federal Title IV-E funds are made available to the states for board and care costs associated with the placement. Title IV-E funds are an entitlement, and are provided as long as the child remains in care.

While foster parents provided care to large numbers of children in previous decades, the child welfare system recently has witnessed the increasing utilization of relatives (i.e., “kin”) as children’s care providers (Berrick, 1998). Relatives have no legal obligation to become children’s caregivers, but kin are increasingly likely to exercise their responsibility to their extended family through the foster care system. State (SB 243) and federal law (P.L. 104-193) also have promoted preferences for kin placements whenever feasible. Although in some states, child welfare authorities only recognize kin as foster caregivers within the child welfare system if they participate in training and become licensed in the same manner as foster parents (Gleeson & Craig, 1994; Hornby, Zeller, & Karraker, 1996), in states such as California, child welfare workers are encouraged to place children with family members--including kin who have not been licensed or trained by child welfare authorities (Berrick, Needell, & Barth, 1995). This statutory preference for kin caregivers is reflected in the data on child welfare placements. In 1995, kinship care surpassed all other out-of-home placement resources and became the predominant form of foster care for California’s dependent children. Statewide, 46 percent of all children placed in care were placed with their relatives; in some urban counties, the proportion of kin placements was as high as 55% (Needell, Webster, Barth, & Armijo, 1996). Last year, 90,989 children resided in out-of-home

care; 42,670 of these children lived with their kin under the umbrella of the foster care system (Needell, Webster, Barth, Armijo, & Fox, 1997).

Public funding is available to some kin caring for their income-eligible relative children as Table 1 indicates. This government support is differentiated by the care provided (i.e., formal or informal) and the adult relative's poverty status. Many children living in *informal kinship care* receive no public assistance, relying entirely on their relative's personal income or other resources as a means for support. Other relatives may receive welfare: If the relative is herself financially needy, she and the child(ren) may receive an AFDC/TANF family grant (*AFDC-FG*), similar to a family grant provided to a single parent and her children. If the relative is non-needy she may apply for public assistance, however the AFDC/TANF payment comes in the form of a *child-only* payment. In California, AFDC payments for a two-person household (e.g., a grandparent and her relative child) in most regions for families with non-disability status equaled \$456/month in 1997⁶, whereas a child-only grant equaled \$279.

[Insert Table 1 about here]

Kinship caregivers providing *formal kinship care* to children in the foster care system may be paid one of two potential government subsidies. Some kin receive a foster care subsidy, whereas others receive a welfare payment. Because of the two-tiered funding structure, some kin must balance the competing requirements of the child welfare system with the additional demands of the welfare system. How these interactions play out under welfare reform could not be predicted at the time the CalWORKS legislation was developed, yet questions concerning the overlap in program participation and the challenges for kin associated with welfare reform bear close examination. As the following discussion suggests, these separate funding streams and funding amounts may provide incentives to kin that might not otherwise exist to seek out foster care funding rather than welfare funding as a means for supporting the children in their care.

About 60 percent of formal kinship caregivers receive a foster care subsidy (also referred to as *AFDC-FC* paid through Title IV-E of the Social Security Act) when children placed in their care meet the following conditions (AFDC-FC will heretofore be referred to as "foster care funding"):

- The child was removed from the home of a parent as a result of court involvement. (Children who were previously living with the relative caregiver, and where no removal was necessary, are not eligible for foster care payments).
- The child was receiving AFDC or was AFDC-eligible at the time of removal from the home;
- The placement is the responsibility of the courts and the child welfare agency;
- The home is generally considered 'licensable' by the county. The home does not

⁶ In 1996, California devised a differential rate structure for families living in high cost-of-living counties and families in low cost-of-living counties. Rates for high cost-of-living counties are described here.

- need to be licensed nor does the home need to meet all of the licensing standards;
- The relative must apply for AFDC-FC payments within six months of the child's placement in the home (Berrick, Needell, & Barth, 1995).

Kinship foster parents receiving the foster care rate are paid on a per-child basis--two children doubles the amount of money a caregiver is paid. The funding these caregivers receive also increases with the age of the child. Caregivers are given \$345 per month for a very young child (ages 0-4), with payments graduated to a rate of \$484 per month for the oldest children in care (ages 15-18).⁷ In addition to the higher basic subsidy--an amount determined at the state level--many counties supplement these subsidies considerably. Kinship caregivers receiving foster care payments may be eligible for specialized care increments (i.e., additional payments in for special-needs children), infant supplement payments, and clothing allowances. The children their care may also take part in the Independent Living Skills Program (ILSP) when they reach adolescence, and needy caregivers may receive AFDC-FG (heretofore referred to as "AFDC/TANF") for themselves.

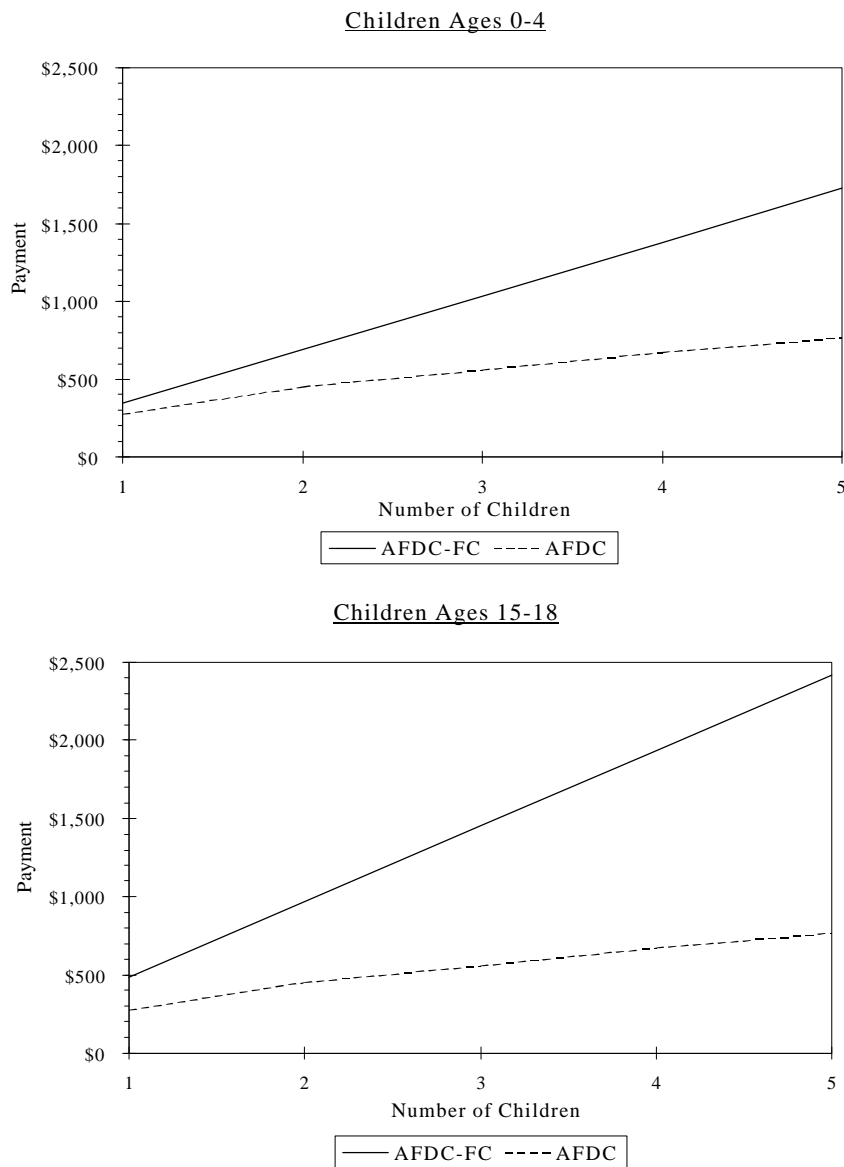
The proportion of kinship foster parents receiving foster care funding varies significantly by county. Anecdotal evidence from focus groups with child welfare workers in California (Berrick, Needell, & Barth, 1998) suggests that some agency cultures strongly promote workers' efforts to maximize foster care eligibility in order to increase financial opportunities for caregivers. In other counties, less emphasis is placed on aggressive utilization of federal foster care funding. These differences in agency culture may contribute to differences in payment rates among kin, as much as individual eligibility criteria.

Formal kinship caregivers whose children do not meet the above criteria—approximately 40 percent of children residing in formal kinship care--may receive AFDC/TANF payments (*AFDC-FG or child-only*) for the children in their care. AFDC/TANF payments are, of course, means-tested and are based upon the number of children in the household. As the number of children in the home increases, the payment rises incrementally. For example, the difference between an AFDC/TANF family grant for a household with two children versus one child is \$109 per month (\$565 vs \$456). These caregivers are not eligible for additional services such as ILSP, or supplemental payments. Figure 1 and Table 2 show the basic payment differential between the two rates for formal kinship foster care providers, depending upon whether the kinship foster parent is receiving AFDC or foster care payments, the age of the child(ren) in care, and the number of children being served.

[Insert Figure 1 and Table 2 about here]

⁷ Children ages 5-8 receive \$375; ages 9-11 receive \$400; and ages 12-14 receive \$444.

Figure 1. CALIFORNIA: AFDC vs. Foster Care Payments for Formal Kinship Care, March, 1997



Source: California Department of Social Services, March 1997

Table 2. CALIFORNIA: AFDC vs. Foster Care Payments for Kin

	AFDC Payment	Foster Care Payments, Children 0-4	Foster Care payments, Children 15-18
1 child	\$279	\$345	\$484
2 children	\$456	\$690	\$968
3 children	\$565	\$1,035	\$1,452
4 children	\$673	\$1,380	\$1,936
5 children	\$767	\$1,725	\$2,420

In addition to the actual differences kin caregivers experience in the source and amount of funding they may receive from the government, these differences in public support have fiscal implications at the state and local level. Table 3 provides an outline of the cost-sharing ratios used in funding the AFDC and foster care payment (AFDC-FC) programs prior to and following the implementation of CalWORKS.⁸ As the table suggests, differences in state costs between AFDC/TANF and foster care payments were not great prior to welfare reform (e.g., \$132.52 for a child-only grant and \$117.87 for a foster care payment). The fiscal implications of these different funding programs and formulas at the county level, however, were significant. A relative receiving a child-only AFDC/TANF grant resulted in a county cost of approximately \$7.00. Funding for a relative caregiver receiving foster care funding, however, resulted in costs in excess of \$176.00. Differences were amplified with larger numbers of children under a relative's care.

[Insert Table 3 about here]

As previously noted, formal kinship caregivers are either paid foster care payments or AFDC, depending in large part upon whether the children in their care are AFDC-eligible at the time of removal. In the past, 50% of AFDC and foster care payments were paid by the federal government. The differences in grant amounts and the county shares for these two programs should have created a fiscal incentive for the federal government and county child welfare agencies to discourage relative caregivers from taking foster care payment for the children in their care. As described earlier, however, at the individual level, child welfare workers often attempted to maximize the kin caregivers' income by accessing foster care payments in spite of the fiscal burden this presented to counties (Berrick, Needell, & Barth, 1998). As of July 1997, per child monthly AFDC rates in California (\$279.00) were not quite half as much as the rates for foster care (\$589.34). Furthermore, counties have to pay 30% of the foster care payments and only 2.5% of the AFDC costs. Thus, there has been a fiscal incentive at the federal level (due to lower grant levels) and the county level (due to lower grant levels and a lower cost-sharing ratio) to favor providing as much child welfare placement support as possible through the regular AFDC program. The state government, however, has previously had an incentive to favor foster care payments because, despite higher grant levels, the significant county share made this program less costly for the state.

Now that the past AFDC program has been terminated and a new, significantly different stream of funds for income assistance has been created, these fiscal incentives need to be examined for possible changes in direction or magnitude. Under welfare reform, the *federal* incentive to maximize the number of formal kinship caregivers

⁸ The table assumes a family with government income from *only* the welfare or foster care programs. Of course, other government programs may also be included in a family's net income, including funding from SSI, social security, food stamps, or other sources. The number of permutations of such varied government supports, however, would be too vast to include in this analysis.

supported through TANF is substantially increased. Since the amount of the TANF block grants are already determined, any formal kin caregiver who is paid a TANF payment instead of a foster care subsidy saves the federal government the full amount of its 50% share in the foster care subsidy without adding any additional federal costs. Thus, whereas the federal government only had a net gain of \$155.17 (\$294.67 - \$139.50) per month for every child who transitioned or was diverted from using foster care dollars to AFDC before welfare reform, this has increased to \$294.67 under TANF.

The *county*, like the federal government, continues to have a financial incentive to pay for as many children placed in kinship care as possible through TANF rather than the IV-E foster care program. This is especially true if the county's primary goal is county cost containment. (If, however, the county's principal goal is to maximize the total dollars available for supporting families, it might choose to move as many children as possible into AFDC-FC in order to draw down federal funds.) Like the federal government, the county has to pay their TANF match regardless of the number of TANF recipients. As a result, they do not incur any new costs when a child is transitioned or diverted from AFDC-FC to the TANF program. Thus, they stand to save the full value of the per child, per month AFDC-FC rate for each child paid through TANF rather than AFDC-FC (\$176.80). However, due to the counties' low share of AFDC (2.5%) - and now TANF (2.2%⁹)- expenditures, welfare reform has had little impact on the magnitude of this incentive. Whereas prior to welfare reform the county saved \$169.82 per month for each child paid by AFDC rather than AFDC-FC, under TANF this has only risen by \$6.78.

Welfare reform's impact on the *state's* incentive to favor foster care funding of relative placements is a little more difficult to determine as it depends heavily on TANF caseload dynamics. Similar to the federal and county governments, the state budgets a set amount for the CalWorks program each year. (The state is required to provide at least an 80% match of the federal TANF block grants each year through their Maintenance of Effort requirement, five percent of which they pass on to the counties). Since these funds are budgeted regardless of the number of TANF recipients, any kin caregiver who receives a TANF grant instead of a foster care payment could save the state the full amount of their share of the foster care grant, \$117.87. However, the state faces a gamble in encouraging counties to maximize use of TANF payments for relative caregivers: if there are more eligible recipients than can be supported by the federal TANF block grant and the state's match, the state will be responsible for 95% (assuming a 5% county share), or \$265.05 per child per month, of all additional grants. This is far more expensive than the state's share of foster care payments (\$117.87). Thus, the state has a strong financial incentive to encourage TANF support of children in kin care as long as TANF funds are abundant; however, should these funds become depleted, the state faces the unappealing alternatives of creating waiting lists for TANF grants or covering the full costs of assistance for additional families. Nonetheless, as long as the state is fairly sure that TANF funds will be sufficient to cover all eligible families, the fiscal incentive to maximize TANF funding for kinship foster care placements is now quite strong at the

⁹ See explanation of post-TANF sharing ratios in Table 3.

state, county, and federal levels.

Although financial incentives for federal, state, and county governments all align to maximize TANF payments to kin caregivers, the financial incentive to *kin* is just the opposite. Caregivers hoping to maximize the amount of money coming in to their home to support their dependent relative children would much prefer the higher payment rates associated with foster care funding. This is not to say, however, that all kin would prefer foster care payments. Indeed, these payments are accompanied by foster care requirements, and by a social worker assigned to work with the family. The latter may be seen as intrusive and unnecessary (Berrick, Needell, & Barth, 1998), and may mitigate the financial gains associated with this program.

These government-related incentives to transfer support of formal kin caregivers from the Title IV-E foster care program to TANF (by either transitioning them to guardianship or initially diverting them towards informal caregiving), are based on comparing payment rates for the two programs in any given month. An underlying assumption is that lengths of stay in the two programs would be equivalent. However, this may be an inaccurate assumption. In fact, if we approach this question of incentives by looking at individual cases over time, we see that the magnitude of the incentive to maximize TANF payments is actually increased. Specifically, data on the utilization of foster care funding for formal kin caregivers shows that children may remain in foster care up to twice as long as they would if they were supported through public assistance (Berrick & Needell, in press). Comparable data on welfare spells for informal relative caregivers are currently unavailable. Thus, children whose support is paid for by a TANF grant rather than a foster care payment not only save the federal, state, and county governments money each month they are in out-of-home-placement, but they also may require financial support for a shorter period of time.

The federal, state, and county governments all have strong financial incentives to promote the use of TANF rather than foster care funding for payments to relative caregivers, whether through transitioning eligible kin caregivers out of the formal child welfare system or diverting new cases away from court involvement. Yet, in reality, these practice decisions are based on far more than financial gain. As discussed earlier, this is evidenced by the fact that counties, who were responsible for investigation, court, and placement services to families and who stood to gain the most from diverting or transitioning families from the foster care program, continued to maximize kin caregivers' access to foster care funds under the previous AFDC program. Likewise, under TANF, child welfare administrators will have to balance these financial incentives with their standards for best child welfare practice. To the extent there are families for whom fiscal and best practice considerations coincide, however, TANF holds promise of financial savings for all levels of government.

Because kin may be paid by either the child welfare system or the welfare system, and because the incentives to maximize one funding source over the other are mixed, it is important to consider the potential effects of welfare reform on individual and agency behavior in the new fiscal environment. Under welfare reform, some kin may be required

to balance the competing requirements of the child welfare system with the additional demands of the welfare system. How these interactions play out under welfare reform could not be predicted at the time of the policy's implementation, yet questions concerning the overlap in program participation and the challenges for kin associated with welfare reform bear close examination.

During the legislative debates, no data were available regarding the number of relative caregivers in the AFDC program, nor was there a deep understanding of the intersect between the welfare and child welfare programs for kin caregivers. Therefore, determining whether and what type of exemption might be offered to kin in the TANF program turned on philosophical questions concerning the importance of relative care; government support of family member's obligations to one another; social perceptions of elderly status; equity; intentional and unintentional incentives and disincentives; and other matters. We turn now to a discussion of relative caregivers and CalWORKS. Later, we provide additional information concerning the recent legislative debate in California that carved out a protected environment for kin.

CalWORKS, Relatives, and Exemptions

Some relatives will be exempted from CalWORKS time limits and work requirements, depending upon the caregiver's status (i.e., formal vs informal), their age, and their caregiving responsibilities. Figures 2 and 3 detail the various exemption categories for kinship caregivers by care arrangement (formal or informal). As the figures demonstrate, all informal and formal kinship caregivers receiving AFDC/TANF child-only grants will be fully exempt from time limits and work requirements. (Non-needy formal kinship caregivers receiving foster care payments will also be fully exempt as they do not participate in the TANF program.)

[Insert Figure 2 & 3 about here]

Caregivers receiving foster care grants that include funding for themselves as needy adults *may* or *may not* be exempt from time limits or work requirements depending upon a variety of circumstances. *Informal kin* will be exempt from *time limits* if they are age 60 or older (AB 1542, Section 11454 (e) (1)). They will also be exempt from *work requirements* if they meet the following conditions: (1) are providing care for a disabled family member and the caretaking prevents them from participating in work activities; or (2) if the child in their care is a dependent of the court or at risk of placement and the county determines that the caretaking responsibilities impair the caregiver's ability to work; or (3) if they need to care for an ill or incapacitated person in the home and the caretaking responsibilities impair their ability to be regularly employed or to participate in welfare-to-work activities; or (4) if they have a disability or are receiving certain types of disability benefits or In-Home Supportive Services and the disability impairs their ability to be regularly employed or to participate in welfare-to-work activities; or (5) if the county determines they are unable to maintain employment or to participate in welfare-to-work activities and they have a history of full participation and cooperation; or

(6) if they are a victim of domestic abuse and the county has determined good cause exists for waiving the time limits (Section 11454 (e) (2)). They will have good cause for not participating in work activities if they: (1) lack “necessary supportive services” (SEC. 65, Section 11320.3 (f) (1)); (2) lack child care for a child age 10 or younger (SEC. 65, Section 11320.3 (f) (3)); or (3) if the child in their care is at risk of placement (SEC. 65, Section 11320.3 (b) (4)). An individual who is excused from participation in work activities for good cause is subject to the 18- or 24-month and 60-month time limits. County staff are required to review these conditions every three months (SEC. 65, Section 11320.3 (f)). Informal kin caregivers who are not exempt and who exhaust their public aid may continue to receive a child-only grant in the form of cash or a voucher (SEC 135. Section 11450.13). (See Figure 2).

Some *formal* kinship caregivers receiving TANF payments are exempt from time limits and work requirements. For this to occur, however, caregivers must be assessed by county staff as unable to work due to the burden of their caregiving responsibilities (See Figure 3).

As suggested above, the crafting of welfare reform in California, as in Washington, D.C., has resulted in both dramatic and far more subtle changes in the position of relative caregivers vis a vis the receipt of aid. We turn now to a description of the legislative debate as it unfolded in Sacramento in the Spring of 1997. This historical account gives insight into the various concerns of legislators and constituents, and the practical and political solutions that were devised to address kinship care.

3. CALIFORNIA’S APPROACH TO EXEMPTIONS IN THE 1997 LEGISLATURE

All states were given significant latitude to determine the eligibility criteria for work and time exemptions. These decisions might be based upon client characteristics (e.g., very old, very young, or disabled adults), status (e.g., kin, teen parent, or citizen recipients), need for special assistance (e.g., recipients caring for dependent children, special child care burdens, or particular family circumstances), or other qualities. Similarly, decisions might be made on the county or even the individual worker level, investing authority and responsibility in each community. The process by which the California legislature came to its final decisions regarding relative caregivers gives some insight into the policy trade-offs that were considered.

During the early months of the 1997 legislative season, several bills were initiated regarding the design and implementation of federal welfare reform. Four proposals were prominent in the early months of debate, including a welfare reform initiative from the Governor’s office; one from the Legislative Analyst’s Office; a bill promoted by the County Welfare Directors’ Association (CWDA); and another version of welfare reform supported by the Western Center on Law and Poverty (WCLP). In each of these proposals, some relatives were exempted from time limits and work requirements.

In the WCLP proposal, relatives of “advanced age” were exempt from time limits (SB 285, SEC. 54, 11454.5 (1)). Adult recipients of “advanced age” and relative caregivers meeting any of the following criteria were also exempt from work requirements: age 50 or older; caring for a child who is a dependent or ward of the court; and caring for a child at risk of foster care placement (SB 285, SEC. 9, Section 11320.3 (3) and (4)).

Similar to the final CalWORKS legislation, the LAO suggested exemptions from work requirements for recipients of “advanced age,” and “caretaker relatives” (SB934--Thompson, SEC 4., Section 11320.3 (3)). Relative caregiver families were also exempt from time limits if they were receiving a child-only grant, or if they were caring for a disabled child (SEC 12, Section 11450.05). Relatives would be required to participate in community service following 24 months on aid. The County Welfare Directors’ Association (SB 933--Thompson) offered exemptions from time limits for non-needy caregiver relatives, but not for needy relatives, and mandated work in subsidized employment following 24 months of welfare-to-work activities. Finally, the Governor’s CalTap proposal exempted relatives receiving child-only grants, and those who were older than age 60 from time limits (AB 1402--Olberg, Article 3, Section 25210) and work requirements (Section 25520 (b)).

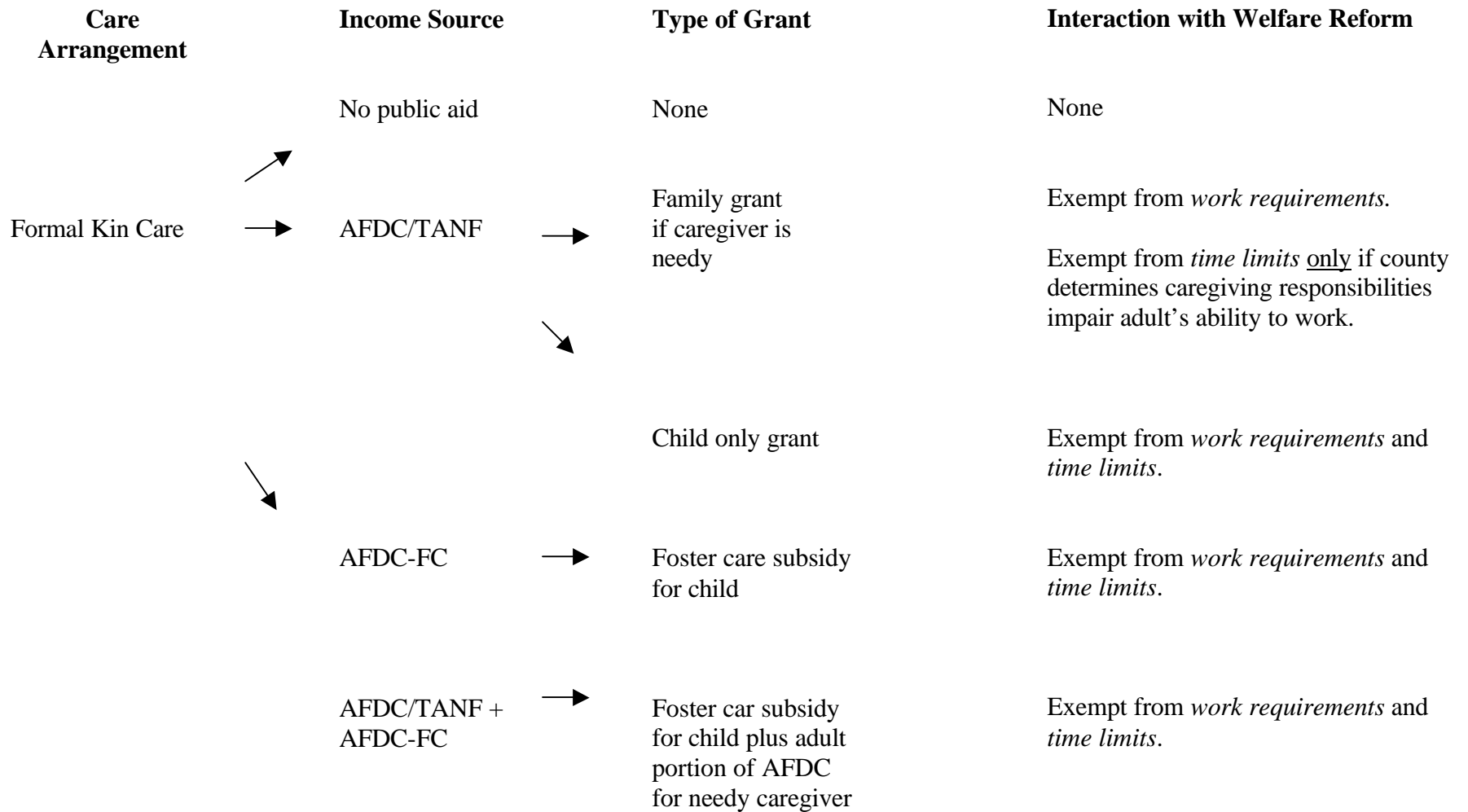
In addition to these very broad proposals, several bills were submitted dealing with specific components of the new federal legislation. One of these bills, SB 163, was sponsored by Hilda Solis, Democrat from Los Angeles County, and focused only on the issue of relative caregivers and welfare reform. The bill exempted all relatives caring for children in TANF from both time limits and work requirements. The Solis bill emerged from her long-standing commitment to relative caregivers, her close contact with a group of grandparents in her district, and her close understanding of a variety of issues pertaining to general support for kin. The initial Solis bill contained no age limits or other qualifying characteristics, but rather, provided a blanket exemption based upon the status of kinship. Children’s groups, grandparent advocate groups, women’s groups, and unions favored the bill, even though it did not specify the number of families (i.e., the percentage of the 20% exemption cap) that might be affected.

When the bill was heard before the Senate Health and Human Services committee (Diane Watson-D, Los Angeles, Chair) between 40 and 50 grandparents attended. Although the bill was largely supported by grandparent advocates, some legislators suggested a modification to the blanket exemption, specifying only older relative caregivers as eligible. As the discussion shifted to older women, legislators generally assumed that these relatives were, in the majority of cases, children’s grandmothers.

Figure 2
INFORMAL KINSHIP CARE AND WELFARE REFORM IN CALIFORNIA

Care Arrangement	Income Source	Type of Grant	Interaction with Welfare Reform
Informal Kin Care	No public aid	None	None
	AFDC/TANF	Family grant if caregiver is needy	Exempt from <i>work requirement</i> if 60 or older <u>or</u> if she must stay home to provide care to a disabled family member <u>and</u> the county determines caretaking responsibilities impair ability to work, <u>or</u> if child is at risk of placement <u>and</u> the county determines caretaking responsibilities impair ability to work.
		Child only grant	Exempt from 60 mos. <i>time limit</i> if 60 or older <u>or</u> if child is at risk of placement <u>and</u> the county determines caretaking responsibilities impair ability to work. If caregiver is <u>not</u> exempt, and hits time limit, may get “safety net” (child only grant) in form of cash or voucher.

Figure 3
FORMAL KINSHIP CARE AND WELFARE REFORM IN CALIFORNIA



Discussion during the legislative hearing focused on the age at which grandparents might be considered “senior,” with some advocating age 60, others 55, and still others age 50. Solis encouraged an exemption for relatives ages 50 or older. Referring to the American Association of Retired Persons’ “senior” criteria of age 50, Solis advocated for this younger age, in part due to her knowledge of an AARP study indicating that half of senior caregivers were living below the poverty level (Chalfie, 1994), and had a significant need for assistance. Attempting to craft a politically sensitive compromise, Solis was willing, however, to increase the age exemption to 55. She also was aware of the importance of securing public support for the measure and was persuaded by Republicans and some Democrats that constituents might find age 50 excessive.

Watson also was sympathetic to the age distinctions among relatives, but held concerns that an age limit might preclude especially needy caregivers younger than 50 from claiming an exemption, particularly those caring for dependent or at-risk children. Instead, she advocated county-designed assessments of individual relatives as the primary basis for exemption.

Other senators who were focused on an age limit raised concerns that age 50 might be considered *too young* since these legislators or other vital adults in their circle of associates continued to work and provide for their families. They argued that all relatives be given the option and opportunities afforded through work, rather than be shut out of the anticipated welfare-to-work provisions of CalWORKS. Indeed, relative caregivers, like single-parents, were viewed through the lens of conventional norms; a question routinely raised during legislative debates was: “In what ways should people on aid be required to conform to our expectations of everyone else in society?”

Several Republicans argued that counties should exercise maximum discretion in determining eligibility for exemptions, and were concerned about developing a blanket exemption for any group -- regardless of age, caregiving responsibilities, or other matters. And finally, Ken Maddy (R-Fresno) was reluctant to offer any blanket exemptions to relative caregivers until he had accurate figures concerning the scope and size of the relative caregiving population.

Evidence concerning the size of the relative caregiver population was scant in the legislative debate. According to one policy advocate, “In an uninformed way, we talked about relatives as though we were only talking about grandparents; the vast majority [of whom], if not aged, were at least advanced middle age. We had little data if any, to inform the debate.” Data obtained from the Senate Office on Research indicated that there were approximately 10,000 needy caregivers in the state, some of whom were providing informal care, and others providing formal care. When the bill reached the Senate Appropriations committee, the potential fiscal impact of the bill became unclear.

The welfare reform debate eventually shifted to a Conference Committee composed of 18 Democratic and Republican members from the Senate and the Assembly. Within the Committee, several work groups were established to craft portions of the bill.

Issues pertaining to exemptions were heard in Work Group #2, where agreement on core principles was evident. According to one legislative aide, “It was politically popular to care about grandparents... There’s lots of respect for relative caregivers among legislators and staff... And it was politically popular to care about keeping kids out of foster care... Everybody wanted to win on this.”

The Solis bill became a vehicle for discussion in the work group, but perspectives varied on the role of relatives in a CalWORKS environment. The starting point for the work group was age 50 (following the Solis bill), however the Governor’s proposal exempted relatives ages 60 or older, and Republicans were more comfortable with this approach. Several Democrats were uneasy about lowering the exemption for age and found a more palatable approach in pairing the relative’s age with their special caregiving responsibilities.

The nature of the discussion quickly turned to county finances when legislators considered the likelihood that older caregivers would be absorbed by the labor market, and the potential liability of large job training investments in an aging population. Legislators were particularly sensitive toward mandating county resources toward an uncertain employment pool. Although sentiments were mixed regarding age designations for the elderly, they were wise to the potential fiscal implications of their decisions. A hybrid approach to kinship exemptions was ultimately adopted that attended to status (informal vs formal kin care), characteristics (some age designations), and special conditions (caring for dependent or at-risk children), while also maximizing county flexibility.

The welfare debate in California during the Spring legislative session resulted in the crafting of a final plan for welfare reform that was 150 pages in length and codified in 188 sections. As suggested in the foregoing discussion, many key provisions in the plan would be likely to effect low income grandparents raising grandchildren. Yet the crafting of this legislation took place without a clear picture of the size of the grandparent caregiver population on aid, the duration of time during which aid had been received, and similar data. Since such information has relevance for understanding the potential impacts of the legislation on grandparent headed households, we felt it important to profile this population.

4. A PROFILE OF OLDER CAREGIVERS RAISING CHILDREN ON AFDC

Until recently, very little information was available on older caregivers receiving AFDC/TANF. In this section, we utilize data from several state data sets to examine the growth in older caregiver households, selected demographic characteristics of such households (e.g., race/ethnicity and marital status of the householder), and length of time on aid. Data were extracted from California’s Medi-Cal Eligibility Data System (MEDS). This data source contains monthly aid codes for AFDC receipt, making it possible to track welfare participation over time. At the Center for Social Services Research, longitudinal files containing both the full MEDS population (over 13 million

persons since 1987) and a 10% random sample (originally created by the Department of Social Services and UC DATA) are used for analysis. Findings on the growth in older caregiver households and caregiver characteristics are from the population-based files. Point-in-time data for December of each year (1990-1996) are presented, and recipients are grouped into cases. Case-level analyses use case identifiers, age of recipient, and ethnicity of recipient. Findings regarding time on aid utilize age and ethnicity information for entry cohorts from the 10% persons sample. The proportion of time on aid was calculated for all adults new to aid between 1988 and 1995 (as of December, 1995), and the percent reaching 2 and 5 year limits was estimated from the 1988 and 1989 entry cohorts.¹⁰

Although we begin with a look at older caregivers who receive “child only” grants, the primary focus of this section is on those caregivers who are themselves recipients of aid.

Older Caregivers Receiving “Child only” grants

As stated earlier, some caregivers are receiving aid for the child in their care, although they are not eligible themselves. These families qualify for a child-only grant. The size of the child-only caseload in California grew significantly in the period under study, with 72,968 children receiving such grants in 1990 (11% of the caseload), rising to 144,489 in 1996 (17% of the caseload¹¹). Somewhat less than half of the child-only households include only one child; only eight percent include four or more children (see Figure 4). The child-only caseload is not confined to relative households on aid, however. It is estimated that the large majority of child-only cases include citizen children of non-citizen parents (CDSS, 1996; MaCurdy, & O’Brien-Strain, 1997), a rapidly growing segment of the overall California population (Johnson, 1996).

The MEDS database does not enable us to estimate the proportion of the child-only caseload that includes children of relative caregivers. The only data available to shed light on child-only households come from the “Characteristics Survey” conducted by the Information Services Bureau of the California Department of Social Services. Collected since 1994, the data show that approximately 20% of the child-only AFDC caseload (about 28,000 AFDC households) includes a non-needy caretaker relative. This percentage has held constant for the past three years. The CDSS study also suggests that most caretaker relatives (73%) are grandparents or great-grandparents to the child; 20% are aunts, uncles, great aunts or great uncles (CDSS, 1996).

Since all child-only cases are exempt from time limits and work requirements

¹⁰ Other data sources (such as the SIPP) were considered but were excluded since we hoped to use datasets that are supported by the California state government, that should be accessible to government departments and to the legislature during legislative debates, and because we hoped to develop population profiles for the state that might otherwise be compromised by small sample sizes in other data sources.

¹¹ Total caseload includes AFDC-FG and AFDC-U households combined.

under CalWORKS, the limitations in the data on child-only cases are not of great concern. Yet CalWORKS requirements may directly touch the lives of older caregivers who *themselves* are receiving public assistance in support of their relative children. It was important, therefore, to develop a profile of these caregivers.

[Insert Figure 4 about here]

It should be noted that although our data analysis ended with 1996, the trend toward increasing numbers of “child only” cases has continued. By 1998, 28% of California’s welfare caseload was made up of “child only” cases. This is considerably lower than the 40-50% figures reported for many southern states (Vobejda and Havemann, 1999), but it nevertheless is substantial. Grandparent headed households are second only to families of immigrants in the number of “child only” cases reported in the state.

Older Caregivers as Aid Recipients

The data we present reflect *older caregivers* and *elderly caregivers* rather than *grandparent* or *relative caregivers*. The distinction is important. MEDS does not contain information concerning the relationship of the head of household to other members of the family and consequently it is not possible to separate out relative caregivers. One can, however, use MEDS to draw a profile of older caregivers on public assistance. Data from 1996 are the most recently available data for analysis. For simplicity, we have designated an artificial age boundary of 50 or older to characterize those heads of household on AFDC who are probably relative caregivers. The age distinction misses grandparents or other relatives who may be younger than 50 and therefore probably underestimates the extent of relative-headed households on aid. For purposes of analysis, we examine the characteristics of heads of household ages 18-49 in comparison to household heads between the ages of 50-59, whom we will designate as “older caregivers,” and ages 60 or older, whom we term “elderly caregivers.” Where applicable, we also include information pertaining to households with two older adults, one over age 50 and one over age 60. All analyses include AFDC-FG and AFDC-U families combined unless otherwise specified. Medi-Cal non-AFDC households were not included in the analysis.

Growth in Older Caregiver Households

From 1990 to 1996, the number of older caregiver households on AFDC grew from 8,674 (1.3% of the AFDC population) to 19,069, or 3% six years later (see Figure 5). While the younger household caseload grew by almost 50% over the six year period, older caregiver households more than doubled.

[Insert Figure 5 about here]

Characteristics of Older Caregiver Households

The majority of older caregivers collecting AFDC for themselves and the children in their households are between the ages of 50-59, with a much smaller proportion of caregivers over age 60 (see Figure 6). Similar to conventional patterns of AFDC use, the large majority of these caregivers are single. However, a much larger proportion of older caregivers are single than their younger counterparts on AFDC. Among older AFDC households ages 50-59, approximately 85% live in single-adult households; 95% of caregivers age 60+ live in single-adult households. This contrasts with the younger AFDC population where single-adult households comprise 80% of the AFDC population.

[Insert Figure 6 about here]

The racial/ethnic distribution of older caregivers also appears to be somewhat different from that of younger caregivers. According to the MEDS database, the race/ethnicity of caregivers ages 18-49 is approximately 20% African American, 31% Caucasian, 39% Hispanic, and 10% other. Older caregivers ages 50+ are less likely to be African American (approximately 13%), less likely to be Caucasian (21%), somewhat more likely to be Hispanic (42%) and much more likely to belong to another ethnic group (23%). (Figure 7). These differences are somewhat surprising, given the over-representation of African Americans among relative-headed households nationally (Harden et al., 1997). It may well be that African American relative caregivers are younger, on average, than caregivers from other racial/ethnic groups, particularly given the higher rate of adolescent parenting among African American youth, and are therefore invisible in our analyses. Although concrete data are unavailable, the fact that one in four African American grandparents raises a grandchild at some point (Sczinovacz, 1998), compared to approximately 1 in 10 white grandparents (Fuller-Thomson et. al, 1998), and the significantly earlier age at first childbearing among African Americans, suggest that the number of younger (<50) African American grandparent caregivers may be substantial.

[Insert Figure 7 about here]

Although the large majority of older caregivers are raising only one child on AFDC, many have a caregiving burden that is significantly greater.¹² About 40% of caregivers have two or more children (Figure 8 and 9); almost 8% are raising four or more children. Family size in older households is somewhat smaller than family size in younger households. Sixty-four percent of households headed by 18-49 year olds include two or more children, for example, with 14% including four or more.

[Insert Figures 8 & 9 about here]

Time on Aid

¹² The database does not, of course, indicate whether these older relatives are raising more relative children outside of the AFDC system as well, as the database does not have a variable for family size.

Using the Longitudinal Database constructed by UC DATA from a 10% rolling sample of AFDC recipients, we examined a cohort of new-to-aid adult recipients ages 18-49 compared to those ages 50-59 and ages 60+. The Longitudinal Database allows for an analysis of cumulative time on aid.

Examining cumulative time on aid, we find that about 25% of caregivers age 18-49 who began a spell on aid in 1988 or 1989 were on aid for at least 5 years, and 32% were on aid for at least 2 years. Somewhat fewer older caregivers ages 50-59 were on aid for 5 years (12%) or 2 years (30%), and few of the elderly caregivers ages 60+ were on aid for very long spells (0% for 5 years and 18% for at least 2 years) (Figure 10). There were no substantial differences by race/ethnicity. These analyses concerning length of stay on aid do not suggest anything explicitly about time limits since limits were not in effect for the cohorts under analysis. Nevertheless, they suggest an area for consideration as time limits are implemented under welfare reform.

[Insert Figure 10 about here]

Older caregivers may leave AFDC for a variety of reasons, including employment, death or the movement of children into the homes of parents or other relatives. However their exits may also be a consequence of transition to other forms of financial assistance such as Social Security or SSI. Unfortunately, existing data sets make it difficult to determine how many older caregivers do in fact move from AFDC to more stable forms of governmental financial assistance.

The quantitative analysis presented above offered important new insights into the size, characteristics and growth of the population of older caregivers receiving AFDC/TANF. Although such data are necessary for assessing the potential impacts of welfare reform on grandparent caregivers and their families, however, they fail to provide insights into the potential meaning and dynamics of welfare reform and its implementation from the perspective of various stakeholders interested in and involved with this population group. We turn now to the qualitative component of this study which serves as a complement and supplement to our quantitative analyses and provides an initial effort to help fill this gap.

4. REFLECTIONS FROM THE FIELD

Key informant interviews increasingly are being used in the early stages of policy-related research, before hard outcome data are available to enable empirically based analysis of the outcomes of recently implemented legislation. The findings employed in key informant studies are, by design, based on the observations of a small number of individuals, and hence cannot be generalized. Although speculative, however, they can provide rich insights into the perceptions of a diverse group of knowledgeable individuals regarding a new measure, which in turn can generate useful questions for further research. At the conclusion of this chapter, we highlight a number of the

hypotheses emerging from our key informant interviews and suggest some of the ways in which they might fruitfully be tested through both qualitative and quantitative approaches.

In the present study, key informants were identified as representing a wide range of stakeholders in the welfare reform process as it relates to grandparent caregivers. These stakeholders included key legislative personnel who had been active in the debate and/or the subsequent crafting of the state legislation; directors of relevant aging and social welfare agencies and programs on the state and local levels; health and social service providers; and several grandparent caregivers themselves, who had lobbied, testified, or in other ways attempted to work on the legislation. We intentionally chose respondents representing a broad range of interests, organizations and political affiliations, and the responses reported here reflect some of the diversity achieved. Thirty of the original 42 stakeholders identified were willing and able to be interviewed with those declining citing lack of time, perceived lack of sufficient familiarity with the topic or the belief that their views could be amply represented by other respondents. An additional six interviews were conducted with individuals recommended to us by one or more of the key informants, for a total of 36. Only a few of our respondents were themselves relative caregivers. Although subsequent research should include a wide diversity of such caregivers to determine their perceptions of and experiences with welfare reform, our intent at this early stage in the policy formation and implementation process was to take a broader look at how a variety of stakeholders viewed what had transpired in the crafting of the legislation, and what may lie ahead.

Interviews were conducted by phone and lasted approximately 30 minutes. Although longer and more detailed in-person interviews would have been preferable, resource limitations, and the severe time constraints of many of the key informants we hoped to involve in the study, made phone interviews a more realistic option. Part I of the interview schedule (Appendix C) included background on the respondent's position(s) and involvement in the issue of welfare reform, as well as semi-structured and open-ended questions concerning his or her perceptions of the potential impacts of welfare reform on intergenerational households headed by grandparents. Questions invited discussion of general provisions within welfare reform, such as the imposition of time limits, work requirements, family caps, and sanctions on teenage mothers, as these were seen as potentially impacting on grandparent caregivers and their families. Part II of the interview focused on the relationship between welfare reform and child welfare, and on the families who are likely to be involved with both systems, currently or in the future.

Respondents typically were asked to discuss their perceptions of both the advantages and the disadvantages of a number of legislative provisions. In this way, we attempted to have study participants move beyond their own positions regarding welfare reform to consider and discuss the merit of opposing viewpoints as well. It should be noted that these interviews were conducted in advance of the quantitative data collection and analysis described earlier. Consequently, neither our informants nor we had the benefit of the information we subsequently derived on the numbers of relative caregivers receiving AFDC/TANF, their chances of reaching time limits etc. The opinions and

viewpoints expressed nevertheless offer a number of rich and thoughtful insights which provide helpful contextual information for the study's more quantitative findings.

In this section we begin by summarizing the views expressed concerning work requirements, time limits, family caps and other specific stipulations of welfare reform as these may impact upon relative caregivers and the child welfare services system with which they interact. We then highlight some of the key themes and issues that emerged across discrete areas of questioning, and which also offer important considerations in our analysis of the potential impacts of welfare reform on relative caregivers.

Work Requirements for Relative Caregivers

Although welfare-related work requirements can be traced to the Work Incentive Program of 1967, more explicit mandates that AFDC mothers be pushed to find work began with the Omnibus Reconciliation Act (OBRA) of 1981. The Act allowed and encouraged states to develop a variety of programs that would galvanize AFDC women to enter the labor force. Eight years later, the Job Opportunities and Skills Training (JOBS) program of the Family Support Act went further to require that AFDC mothers who were not exempt and who had access to child care participate in education and job training, and actively seek employment (Ozawa, 1994).

Despite this context of growing legislative pressure for mothers on welfare to enter the labor force, the work requirement contained in the 1996 PRWORA was among the most heavily debated aspects of welfare reform. As noted earlier, the new law required that welfare recipients participate in work activities at least 26 hours weekly, rising to 32 hours per week by July 1, 1999. In addition to the federal work requirement, the CalWORKS legislation specified a time period of 24 cumulative months within which recipients must normally become employed in order to continue receiving cash assistance if they were on aid at the time that their county's Cal WORKS plan went into effect. Although a number of exemptions from work requirements were allowed (for example, for individuals caring for a disabled family member), raising a grandchild, as opposed to one's own offspring, was not automatically considered grounds for exemption in and of itself.

To help illuminate perceptions of the potential impacts of this aspect of welfare reform, respondents were asked, "What are the advantages or disadvantages of exempting relative caregivers from work requirements? Do you have a strong opinion on this issue? What are some of the likely effects of requiring relatives to work? What are some of the likely effects of exempting relatives from work?" Finally, they were asked whether different policies regarding work requirements should be developed based upon characteristics of the caregiver or the child (e.g., the age of the caregiver, or the number of children in her care).

With few exceptions, the key informants we interviewed had strong opinions on whether relative caregivers should be held to the same time limits as parents. These

opinions, however, ran the gamut from arguments that all relative caregivers should be exempt, to the belief that relatives should be treated no differently than parents purely as a matter of fairness or “equity.”

A major concern centered on the difficulty grandparents may experience in finding work. The challenges that would likely be faced by older women, in particular, who have been out of the work force for several years and who have few marketable skills were of concern to many of our respondents. Fears over inadequate job opportunities were among the most frequently cited reasons for skepticism about work requirements, and were not limited to those in areas with large inner city populations. One informant spoke of the “14% or 15% unemployment rate” in a rural county as posing a special hardship for older relatives suddenly seeking jobs.

For several respondents, questions of job availability were coupled with concerns over the message that the work requirement might send grandparents about the perceived worth of their caregiving role. A front line health services provider described grandparents who were “fearful of trying to compete for jobs” and dismayed that their role as caregiver was not considered valuable work in and of itself. Similarly, a kinship care advocate suggested that work requirements in particular would lead to “lots of frustration on the part of grandparents, who will feel unappreciated”.

In addition to their concerns about the stresses older relative caregivers might face in actually finding a job, and/or in then combining the stresses of work and primary caregiving, the possibility of more children going back into the foster care system as a direct or indirect consequence of an “unrealistic” work requirement for this population also was raised (See next section).

On a more positive note, and while voicing a general opposition to work requirements for relative caregivers, one social services staff member cited a potential advantage which was echoed by others. In her view, if a grandchild were ready to go to school and the grandparent were to receive sufficient job training, such requirements could help these relatives “reconnect with the adult world [and] with the world of work. Many [grandparent caregivers] are depressed because they feel trapped and have lost their independence, their connection to the real world.” In such instances, work requirements may make a positive contribution in fostering the grandparents’ “inner sense of worth” and of “being useful” and a part of things. This informant went on to caution, however, that such advantages may well be counterbalanced by grandparent caregivers who find themselves overwhelmed, and for whom these additional stipulations and sanctions represent another source of stress in an already very stressful life situation. Further, as an aging services administrator pointed out, government training programs available to older (55+) adults tend to prepare them for low paying jobs such that they can barely support themselves, let alone additional family members. Under such circumstances, he suggested, work requirements might be harmful in their consequences for older caregivers, and by extension, for the relative children in their care. Furthermore, a respondent active in the debate over welfare reform argued, having grandparents work and pay for child care not only penalizes them for stepping in to care

for the children but also "negates the whole purpose of having a family unit."

For other respondents, one solution to this dilemma might involve having the law "soften work requirements," rather than providing blanket exemptions. One policy consultant suggested having a time limited exemption, for example, in situations where preschool care isn't available, or where a parent or relative's working hours conflict with school hours, "until those problems are resolved." Others suggested that the social support situation of relative caregivers be taken into account to determine, for instance, whether children would be adequately cared for when ill, so that a grandparent wouldn't have to miss too much work. Whether the welfare reform program will be flexible enough in practice to take these matters into consideration, however, was of real concern to many.

Our respondents' discussion of welfare reform's work requirement, in sum, covered considerable terrain. Informants both stressed the benefits to caregivers of this requirement (e.g., in building self-esteem) and raised possible negative consequences such as increased stress, particularly if there are inadequate opportunities for childcare, job training, and actually finding employment.

Time Limits for Relatives

Like work requirements, the imposition of time limits on welfare recipients is a central component of welfare reform on both the state and federal levels. As noted earlier, many states, although not California, set time limits considerably shorter than the lifetime total of 5 years on aid imposed by federal law. Respondents in our study were asked, "In your opinion, what are the advantages or disadvantages of subjecting relative caregivers to the same time limits as parents?" They then were asked whether different policies regarding time limits should be developed based on the characteristics of the caregiver or the child, and if so, to describe these differences. Respondents then were asked, "Do you foresee any potential incentive or disincentive effects associated with exempting relative caregivers from time limits on TANF? For example, do you anticipate that relatives will be less likely to care for their relative children (etc.)?" Finally, respondents were asked whether they could describe any of the debate or discussion that had occurred in Sacramento the previous spring regarding the pros and cons of time limits for relative caregivers.

"I Many of the arguments raised concerning the wisdom--or the inadvisability--of subjecting relatives to the same work requirement as parents (for example, the importance of maintaining "equity" between parents and relatives, and the contrasting notion that grandparents "didn't ask for this" role and are therefore more deserving of exemption) also were discussed in relation to time limits.

Several of the key informants who advocated for blanket exemptions for relatives did so on the grounds that the latter "don't have to be doing this" and have already "given up on meeting their own needs" in order to raise children a second time around. A kinship

care counselor further noted that while time limits "may be a good thing for the biological parents in forcing them to get it together and for the children to see their parents propelling forward," they may impose hardships on the grandparents who are thrust into a caregiving role. In the words of one legislative staff person, who reported that her office received numerous calls from grandparent caregivers seeking assistance, "as well as opening their hearts, they have to open their homes and their savings...[many] don't know where to turn." In a similar vein, a health care provider with extensive experience in kinship care spoke of any time limits on relative caregivers as "penalizing grandparents for stepping in," adding that "they didn't plan for this and never did anything but have the parent."

Several of the informants who favored blanket exemptions from time limits for relative caregivers based their arguments on the grounds that the children in these families are, by definition, emotionally and often physically needy, compounding the already difficult role the surrogate parent fulfills. One kinship care advocate, herself a caregiver, stated that "Even a young grandparent is dealing with difficult issues...the child is often disabled, traumatized from being removed from home...We [grandparents] are the stable force" for the children. The fact that relative caregivers frequently are dealing with two or more children, each with "unique and special problems," also was stressed by a number of respondents who advocated against time limits for these care providers.

Finally, some proponents of exempting all relative caregivers from time limits pointed to the physical health status of such caregivers, noting that low income persons, and in particular many low income people of color, may be dealing at 50 with "aging issues" that tend to arise considerably later for more privileged segments of the population. A service provider for the aging was among those who discussed the fact that there is "earlier aging in minority communities." He argued that chronological age does not capture functional ability which is better determined by exploring "the complex of health and social circumstances" of these individuals. In his view, the failure to exempt "soon-to-be older people" from time limits may not only hurt them but ironically also end up hurting the government in terms of increased Medi-Cal long term care expenditures later on down the line: the stresses of caregiving on already vulnerable individuals, he argued, could hasten their own physical decline. Although this respondent's cost predictions would, of course, require the passage of considerable time before they could be tested, recent research using a large representative sample (The National Survey of Families and Households) supports his contention that low income grandparent caregivers are likely to be in worse functional health status than more privileged grandparents. Minkler et. al (in press) thus found that grandparents raising grandchildren in 1992-1994 had significantly higher scores on 4 of the 5 Activities of Daily Living examined (walking, lifting, etc.) than non-caregiving grandparents.

Despite the strong opinions voiced by our respondents concerning the problems inherent in holding relative caregivers to the same time limits as parents, some clear advantages of doing so also were discussed. The most frequently articulated advantage concerned the issue of fairness or what some termed "equity." A county administrator pointed out that for relative caregivers who "look like" single parents (in terms of their

economic and health profile) and who "are perhaps not even that much older, there is an inequity" when relatives alone are exempted. One policy consultant added that "the goal of policy is to maximize equity. When equity is not maximized, the policy ultimately becomes suspect. To create a new exemption category only on the basis of relative status introduces serious skewing possibilities, with potential negative consequences."

Some of these negative consequences were expanded upon by other informants. Of concern to many, for example, was that relatives who were exempted from time limits might find themselves being pressured to take in children when the parents of those children reached their time limits. Another aging services provider reported concerns among the social services personnel in his county that exempting grandparents and not parents "may artificially create living situations" that are not in the best interests of either the relative caregiver or the child. He went on to report that "we've got evidence in this county that when the screws are tightened in one category, a person moves in on another part of their family," sometimes resulting in "an abusive situation" and/or the whole family unit then having trouble getting its economic needs met. For both a social services administrator and an aging advocate, however, such a situation may be counterbalanced by those in which the child benefits from moving into what may well be a more functional household situation. In support of his position, a national study by Solomon et. al, 1995 found that children in the care of their grandparents performed significantly better than children in single parent households on most of the measures of social behavior and academic performance examined. Although much further research is needed in this area, the perceptions of several respondents that children may indeed benefit from moving into the care of their grandparents provided an important counterpoint to arguments that such movement was, in and of itself, problematic, particularly if based on monetary considerations.

In the latter regard, a county welfare director in frequent contact with his counterparts around the state noted that "there was a great deal of concern [in several counties] that exempting relatives outright would result in baby swapping. They believed that was going to happen." He went on to report that the County Welfare Directors' Association was pleased that there were few group exemptions in the California plan, and noted that the final version of CalWORKS "minimizes" incentives for "baby swapping" and the like. According to a policy analyst in Sacramento, "the social indebtedness we feel to relatives is a good, compelling law, but it creates perverse incentives," making the blanket exemption of relative caregivers a bad idea. Although the exclusion of "child only" cases from both time limits and work requirements was seen by some as moderating this effect, it is worthy of note that a number of respondents across categories (e.g., grandparent caregivers, social services providers and policy analysts) raised the "perverse incentives" issue independently and expressed concern about its possible effects.

An interesting alternative position on this subject was offered by an administrator for a large urban county who noted that the shifting of children between parent and relatives' homes happens in any case for different reasons and is not necessarily a bad thing. In her words, "many families are very comfortable with child sharing, often just to keep a lone family member company. If a parent's children age out of eligibility, other

family members may loan them a younger child to keep the funding."

For most respondents who felt that exempting relatives from time limits might encourage the shifting of children from parents' homes to the homes of relatives, however, this outcome was regarded with consternation. Such child shifting was described as "gaming the system" and as simply "bad behavior," and several respondents questioned the wisdom of deliberately putting into place policies, like blanket relative exemptions for certain groups, that may encourage people to engage in such activity. In the words of one respondent, "You don't develop a system based on scams. It should be based on protecting the child."

A range of opinions was also voiced by our informants concerning whether time limits might make relatives less likely to care for their relative child either by causing them to discontinue caring for those already in their charge, or by making them less inclined to take in additional children if the need arose. Many informants stressed that it was probably too soon to answer this question, and that only after time limits actually are reached will we be able to gauge their consequences. Others, however, including persons at very different ends of the political spectrum, speculated that the new policies would have little or no effect on family decisions. One state official noted, for example, that "family members, by and large, always want to provide, unless they're extremely frail." Similarly, a grandparent caregiver and activist stated that "We're there for the children whether or not we have time limits...most grandparents will be there regardless."

Yet other state personnel, and relative caregiver advocates worried that while "the desire would be to take the child," financial, child care and other constraints could make it an impossibility under the new time limits. This scenario was seen by some, moreover, as likely not only in cases of severe economic hardship, but also for some downwardly mobile caregivers who had "saved and earned to live one way" and suddenly found their prospects for the "golden years" anything but golden. In such cases, as one relative caregiver spokesperson pointed out, "TANF is a small amount, but it helps," and the sudden loss of this source of income may be enough to convince a grandmother "to end caregiving because she simply can't afford it."

A county administrator was among those concerned that while some relatives "are really committed to take the child no matter what," for others, the situation eventually becomes an impossibility. She described her dilemma in trying to assist these relatives while still conserving the county's inadequate resources.

I get calls every day from relatives who want [foster care rates]. I have to explain that we can't afford it, I'm sorry. Many understand. I tell them about other organizations, food banks and clothes closets. A few people are so hurt--they've exhausted all their means. Then they say the system is just going to have to pick up their kids. Then I'll get them into foster care."

This administrator's telling illustration of welfare workers walking a tightrope

between the needs of constituents and those of the bureaucracy was captured often--albeit not usually as personally--by respondents who felt that one outcome of applying time limits to caregivers may ultimately be that more children end up in the foster care system.

In sum, respondents presented a wide range of viewpoints on the advisability and feasibility of holding grandparent caregivers to the same time limits as parents. Concerns with fairness and equity were raised both by those arguing in favor of blanket exemptions for grandparents and by those who opposed this approach on the grounds that such exemptions would penalize biological parents. The question of whether time limits would increase the number of children living with grandparents and/or entering the foster care system also was subject to debate among respondents, with many underscoring the critical need for monitoring such trends.

Exemptions

In light of the continuing controversy over time limits and work requirements which was reflected in our interviews, it is not surprising that several respondents in both urban and rural areas indicated that their counties were considering either exempting relative caregivers altogether or lowering the age at which exemptions would be granted, e.g., to 50. It should be noted, however, that even those who supported granting such exemptions often mentioned the importance of enabling relatives to "opt into" CalWORKS if they so desired. One government official thus stated that "we viewed the welfare to work services array not as a penalty--we viewed it as an opportunity to get off aid. Those [relatives] who want to avail themselves of work opportunities should do so." As noted earlier, other respondents, including grandparent caregivers themselves, stressed the importance of increasing work opportunities for grandparents as a means of building self esteem and helping them "reconnect with the adult world."

For many, however, neither time limits nor work requirements made much sense for the potentially large number of relatives who would have difficulty finding a job, or finding one that would cover the costs of child care for several children. In the latter regard, for example, families living below the poverty line spend approximately 27% of their monthly incomes on child care (CDF, 1995), and the typically low paying jobs for which older relative caregivers tend to be eligible make similarly high outlays for child care seem likely. In view of such considerations, a legislative staffer who declared his office to be supportive of time limits and work requirements thus added that "the legislation should not be directed at able bodied people who play by the rules in an economy that has no jobs, or people or kin no one is going to want to employ, or... someone who is employable but [for whom] we've figured out a better job.. and that is raising family members." In his view, which was echoed by several other respondents, a number of factors should be considered when determining the time limits and work requirements for relative caregivers, including the availability of jobs, child care, transportation, and the mental health and best interests of the child and grandparent.

Ideally, according to many of our informants, decisions about whom to exempt

should be made individually. In the words of one, "the best interests standard" ultimately should be invoked, since "Many relatives like to work as an opportunity to develop a broader sense of themselves outside of child care. Others can't handle the stress. So it should be evaluated on a case by case basis." Yet as this respondent and a number of others added, such an approach would pose "an administrative nightmare." In addition to the excessive time, staff and paperwork requirements of a case by case approach, was the problem posed by the overall number of exempted caregivers. As one respondent put it, "for every one individual they exempt, that's one person toward their cap of 20%." In his view, a "strong signal" has been sent to the counties to "be cautious about their 20%."

Whatever direction different counties decide to go on exemptions from time limits and work requirements, however, the overriding message of our informants appears to be one of "treading lightly"--being aware of the pitfalls each of the choices represents, weighing carefully who benefits and who loses, and considering the costs to children, relative caregivers, other family members, and the state of the choices that ultimately are made.

Our respondents' discussion of welfare reform's work requirement, in sum, was wide ranging. Informants both stressed the benefits to caregivers of this requirement (e.g., in building self esteem) and raised possible negative consequences, particularly if there are inadequate opportunities for child care, job training, and actually finding employment. Several respondents suggested that recipient kinship caregivers should be able to count their relative care as work, thereby fulfilling their work requirements--especially if the children have special needs.

Older caregivers, whose children in their homes may be "at risk of entering out-of-home care," were specifically carved out of the CalWORKS legislation in order to avoid time limits and work requirements. Yet a county child welfare worker pointed out that it is still unclear how "risk of entering foster care" will be determined. The number of children who are considered "at risk" will depend, in part, on whether the caregiver, welfare eligibility worker, or child welfare worker is making this decision.

Informants also were asked whether there were any vulnerable groups that should be considered for exemptions from time limits and/or work requirements under TANF. They further were queried whether and how, in their opinion, exempting relative caregivers might impact on these other groups. Once again, we received a wide variety of responses.

For a number of our informants, disabled persons were considered deserving of exemption, though definitions of disability varied widely. Some respondents suggested that only those with "severe disabilities" should be exempt, for example, while others singled out those with only physical, or only those with "medically verified" physical or mental illnesses.

Similarly, some respondents argued that battered women should be excluded from having to meet time limits and work requirements, with others singling out "severely

battered women," battered women immigrants, and in one case, only those victims of domestic violence who are being stalked as appropriate for a blanket exemption. Parents or relatives raising severely disabled children, those with large numbers of young children or a child under age one, and in one case, those raising adolescents, also were mentioned as meriting exemption.

Yet for every respondent who made the case for such group exemptions, another argued against this kind of blanket decision making. One advocate summed up the views of many informants when she argued that "blanket exemptions can be disempowering and should be avoided." On the other hand, she strongly argued that any person or family should be exempt from work requirements "where working would be a hardship and not in the best interests of the child." Others spoke of blanket exemptions being a bad idea for victims of domestic violence, since women in these situations desperately need to rebuild their self confidence and get a "sense of accomplishment"--something that job training, actually finding and holding a job, and transitioning off of welfare can help bring about.

Finally, many respondents appeared concerned that exempting certain groups categorically would have the effect of pitting different groups against each other--those who otherwise might be natural allies in the fight for resource allocation. In the words of one respondent, "Whether other populations will be front and center sooner than relative caregivers is an open question." He went on to note that a "difficult sentimental battle between relative caregivers and the disabled" could be waged adding, "Who wins that? Who is more needy?" Some informants argued that other, non relative caregiver groups would not be squeezed if a case by case exemption policy were imposed, or if the money for relative exemptions for caregivers came from a state-only grant for relatives (as opposed to federal sources). The prevailing sentiment, however, was that blanket exemptions of relative caregivers, whether or not this approach was believed by respondents to be justified, could adversely impact other groups in need.

Requirements Regarding Teenage Mothers

Current law is ambiguous concerning the responsibility of parents for their emancipated minors. This ambiguity raises further questions in light of the requirement that teenagers who give birth and require aid live with their parents or other adult supervisor and attend school as a condition of receiving assistance. We asked our respondents what they perceived the implications of this requirement might be for grandparents. We were interested, for example, in whether study participants believed that the number of low income grandmothers becoming de facto caregivers to their grandchildren might increase as a result of the legislation, and if so, with what socio-economic consequences.

The TANF stipulations regarding teen mothers were of considerable concern, and often ambivalence, to many of our informants. Responses to the question of whether the new policy might result in an increase in de facto relative caregiving, moreover, tended to

differ in part according to the amount of distance between the respondent and the front lines where welfare and related programs are implemented. Several policy analysts and high level administrators for example, felt that the possibility of a substantial increase in de facto relative caregiving as a result of the teens' school requirement was "obscure" or "highly unlikely," since "very small numbers" would actually be affected. One administrator, who saw the stipulation in a positive light, predicted that we will see "more paid child care providers near schools," rather than more grandparents fulfilling a surrogate parenting role. Others, albeit less sanguine about the potential effects of this policy on grandparents, also stressed that "part of developing these programs is creating affordable childcare. Otherwise we force grandparents out of the work world and may force families back into poverty--or into poverty for the first time."

For some respondents, including a legal services provider, there are real disadvantages to the requirement that teenage mothers live at home: "probably lots of teen mothers are in homes where it's not the best situation for them. This forces the issue by demanding that they be at home. It will make more relatives de facto caregivers and may also be bad for the teens who shouldn't necessarily be at home."

An opposite position was taken by a state administrator who suggested that "nobody but policy 'wonks' believes that teens should be living on their own...a 16 year old with an AFDC check usually isn't a high functioning household." This individual went on to state her conviction, however, that "this whole issue affects small numbers--less than 8,000 children might fall into this category, and some of them would be eligible for school-based day care." In reality, approximately 14,000 children were born to poor, unmarried minors in 1995 for whom the expected payment source for the birth was Medi-Cal, and an estimated 30,000 children had mothers under the age of 18 in 1995 when we include mothers who gave birth prior to 1995 but who were still minors in that year.

The whole question of whether to force teenage mothers to live at home as a condition of aid was complicated for a number of informants by their continued frustration over the large number of teen pregnancies and births that occur in the state, at the same time that they worried about grandparents being pressured to take in teenage mothers and essentially raise their grandchildren. Some relative caregiver advocates pointed out that from the relative's perspective "It's not fair. Responsibility shouldn't automatically fall on grandparents." For some at the county level, further concerns were expressed that these forced living situations could even result in an increased potential for abuse of the grandparent by a resentful teenager. And as one grandparent caregiver noted, even when extremes like physical abuse are not seen "a teen parent is still a young woman in your home. We'll find conflict over the money coming in. She'll want a social life, etc. and it will be hard for the grandparent." One expert on relative caregiving noted that the stipulation that teenage mothers live at home may lead to still further intrusions down the line. "We're coming close to deeming [counting] grandparents' income, forcing a three generation household which is not healthy for anyone involved."

Along with these very real concerns were frequent expressions of the feeling that we have to "do something" to stop the cycle of unwanted teenage pregnancies. One

advocate for the aging, while stressing her concern for grandparents caught in this situation, added that "it gets complicated...it's irresponsible on the part of teenagers...we have to do education on adoption. Maybe have communal homes?" And a social services provider, who had earlier expressed her worries about the added pressures on grandparents who become primary caregivers, nevertheless held that the stipulation forcing teenage parents on aid to live at home is "a good plan. Our teens today need values, a career, etc." As others made clear, however, what is truly needed are "programs that work with families, not just one member like a teenage mother." They argued that a family focus, while not solving all of the problems suggested above, could abate some of them, for example if it resulted in affordable child care, counseling and in other ways helping to insure that one part of the family isn't "sacrificed" in the name of helping another part.

Family Caps

Prior to the 1996 welfare reform bill, mothers already on AFDC/TANF who had additional children received lesser amounts for each subsequent child. There was, however, no "cap" or ceiling on the amount of money a woman could receive as her family grew. This changed with the implementation of welfare reform. Like the stipulation regarding teenage mothers, CalWORKS' imposition of a cap or ceiling on benefits for mothers who had additional children while on welfare was aimed at bringing about individual behavior change—in this case, changing the childbearing behavior of mothers receiving assistance. Although the CalWORKS legislation specified that the family cap applied to the biological parent on aid, there was considerably confusion in both policy and practice circles concerning whether the cap might—or should—also apply to relative caregivers. We therefore asked our respondents whether they felt the "family cap" provisions should be extended to relative caregivers and requested that they give their opinion on the following scenario: "Let's say that a relative caregiver is caring for a child on TANF, and the child's mother has an additional child who then moves into the relative's home. Should the relative get additional TANF dollars for the additional child, or should the family grant amount remain stable, regardless of the number of children she cares for?"

In contrast to time limits, work requirements, and stipulations concerning teen mothers, all of which generated considerable debate among our informant, the question of whether "family cap" provisions should be applied in the case of relative caregivers appeared to invoke few differences of opinion. For the great majority of respondents, denying additional TANF dollars for another child who has come into a relative's home "punishes the child" and "forces the grandparents to use whatever resources they have available [resulting in] earlier impoverishment [and] less choices later" when they themselves may be in need of health care and/or other supportive services. As one grandparent caregiver advocate put it, "A child is a child...no child should be lacking because they happen to be born second or third." A professional working with intergenerational households echoed these sentiments, adding that the family cap would "diminish the grandparent's ability to care for the child," without achieving its objective

of changing the behavior of the birth parents. And an attorney working with kinship care families remarked, "It's not as if grandparents will provide less for the later child. There's less for all."

Our interviews revealed a considerable amount of confusion concerning which aspects of the welfare reform provisions applied only to biological mothers, and which were meant to apply to any caregiver. When asked hypothetically whether relative caregivers should be subjected to a family cap, one county welfare administrator expressed his clear understanding (which was in keeping with the legislation) that such a ceiling was only to be invoked in reference to the biological mother and her offspring. Yet a state administrator argued that the family cap not only does apply to relative caregivers but should be strictly enforced unless formal court placement has been established. Taking a tact that varied markedly from that of most of our other informants, she argued that "Receipt of aid for a long period means that the child has become the provider of your income, not vice versa...The daughter may be keeping her mother's income going by producing children for her." In such cases, which, this informant stated, typically involve a daughter who is on drugs, the family cap may be needed to stop the cycle from repeating itself. For the most part, however, despite their expressed concern with the need to prevent unwanted pregnancies, most respondents held family caps to be an unwise and unfair solution, and one that penalized parents, grandparents and the children in their care

Interstate Disincentives

Under a law passed in 1992 with the strong support of former Governor Wilson, welfare benefits to new arrivals were to be limited during their first year to the amount they had received in their previous state. Designed to prevent California from becoming a "welfare magnet" for low income people from less generous states, the law was never implemented due to immediate legal challenges. When the federal welfare reform bill passed in 1996, allowing states to provide new arrivals with lesser benefits on a short term basis, a new window for interstate disincentives was opened potentially affecting, among other groups, relatives raising children who were moving to California to live with them.

Among our informants, one of the most troubling aspects of welfare reform was the possibility that interstate disincentives could be imposed on relative caregivers taking in children from biological mothers residing in different states. When asked the hypothetical question of whether a grandmother in California should receive a TANF grant in the amount of the California grant, or in the amount of the state in which the mother lives, the overwhelming response was that the California rate should prevail since, as one analyst put it "that's where she'll be buying the food!" Another respondent added that denying the California rate could lead to a child's being "unintentionally abused" since he or she couldn't be cared for as well by the grandparent. And a therapist working with several families in which such interstate transfers had occurred argued that even if the arrangement was only a temporary one, the child shouldn't be penalized by

rates of support which in no way match the standard of living of the state in which he or she now resides. Only one respondent was able to offer a potential advantage of interstate disincentives: A professional working with kinship care families, she suggested that providing California rates for the care of children whose mothers reside outside the state should be allowed on the condition that the mother's maternal rights were terminated. In this way, she argued, the mother may have "no more control over the child, and that's an advantage."

For some analysts, the question of interstate disincentives hardly merited discussion since it was believed to potentially affect such a small group. In the words of one legislative aide, "I'd rank that with the 'let's get pregnant and our AFDC will go up.' Of course it will happen, but not a lot...These outliers should not be the drivers of public policy." In point of fact, and while data are not available that are specific to relative caregivers, the total amount that would be saved in federal and state welfare payments if interstate disincentives were put into effect was projected at just \$16 million, or under 6% of the state's total \$284 million welfare budget (Chaing, 1999).

It should be noted that although we asked respondents to discuss in the abstract the possible ramifications of interstate disincentives on relative caregivers, several were reluctant to even talk about this since, in their opinion, the whole issue was "unconstitutional on its face" and "will be litigated." These respondents' predictions turned out to have been prophetic. The U.S. Supreme Court ruled in May of 1999 that California could not pay lower welfare benefits to new residents—a decision that struck down similar efforts in at least 14 other states. According to the Court, the equal protection clause of the constitution "does not tolerate a hierarchy of subclasses of similarly situated citizens based on the location of their prior residences" (Chaing, 1999).

Services for Vulnerable Relative Caregivers

The changes brought about through CalWORKS may be considerable. In the words of one respondent, "Everything's going to change simultaneously--the legal system, child welfare, TANF. The welfare system will redefine poverty." These alterations, it was suggested, may put relative caregivers and their families in a particularly precarious position, as new expectations are demanded, without the necessary supports to make transitions to the new system workable. An attorney who works with kin was quite pessimistic about the future--"CalWORKS is not really set up to develop job skills--if participants can't get jobs they will become very frustrated and take it out on their children and their parents...Along with child abuse, there is the possibility of elder abuse and child abductions when children are removed and placed with kin. There will be a need for more restraining orders."

Protective services for adults appeared to be a particularly important topic and several respondents saw this theme as meriting special attention. An administrator for aging services described a similar situation that occurred in his county when General Assistance was made available for older adults. More of the elderly were suddenly thrust

into a caregiving role for younger family members, and in his words, "For seniors who are frail and who will have unexpected family responsibilities thrown on them, we may have more Adult Protective Services situations, more people being pushed into frailty sooner." Of great concern to a number of informants was implementing welfare reform in such a way that stresses are minimized for all of those affected, including the biological parents who may otherwise become abusive toward the very individuals charged with raising their children.

Several respondents noted that some caregivers may be very frail with a limited capacity to take more children. "The grandparents are getting older every day, and are maxed out on the children they can handle—they just can't keep taking in more children." Although some predicted that many birth parents will move back in with their own parents if they lose TANF funds, others thought that this was unlikely, because many grandparents are already stretched thin.

Many of our informants stressed the need for services for this special population. One grandparent caregiver advocate explained the desperate need for legal services, particularly when drug-addicted children of grandparent caregivers want to regain custody of their own children, yet are not able to adequately parent because of their substance abuse problems. Others emphasized the need for services ranging from psychosocial to in-home services to community and educational. As one respondent noted, "[Grandparent caregivers] are raising children of the computer age and many are functionally illiterate." Particularly for those who are raising older children, difficulties with academic issues may be substantial, requiring support of the grandparents as well as special services for the children in their care.

A county administrator added that "we need to think differently regarding assistance," realizing that it's "not only monetary" but also about things like helping frail relative caregivers with personal chores, just as we do the disabled elderly. Without a genuine commitment to the provision of a broad spectrum of supportive services, many respondents felt that welfare reform would place an undue burden on many relative caregivers, potentially harming them as well as the children in their care.

The interviews we conducted highlighted mixed perspectives on the role of kin regarding child rearing and welfare reform. In addition, several of the experts we interviewed commented about society's ambivalent attitude toward kin caregivers. A county advisor explained "Everyone is nervous about kin because they feel that if they [the state] offer[s] something, the costs will escalate sky-high." A cautious approach to funding and to welfare exemptions therefore were suggested as a means of controlling costs for a rapidly growing population. Other concerns focused on the quality of care provided in relatives' homes. Child welfare staff pointed out that many do not trust relatives to provide adequate care. "The 'bad seed' theory still colors everything--there is not much support for relatives because people think it's their fault their own kids got messed up." Finally, even the highest regard for relatives was tempered by social perspectives concerning the appropriate role of government and government funding in the lives of families. According to one legislative consultant, "We have weird feelings

about relatives, and think they should do it [care for their kin children] for free.”

Welfare Reform and Child Maltreatment

The relationship between poverty and maltreatment is long-standing (Lindsey, 1994; Pelton, 1989), however there is no evidence to support the notion that family poverty *causes* maltreatment. Instead, a variety of factors in parents’ lives contribute to their capacity to care for children. The array of issues associated with maltreatment including stress, depression, and lack of social support (Culp, Culp, Soulis, & Letts, 1989; Hegar & Yungman, 1989; Polansky, Ammons, & Gaudin, 1985; Zuravin & Grief, 1989) may rise if family poverty increases and our respondents discussed these possibilities. From the county perspective, it is not likely that large numbers of families will give their children up because they are not making enough money. However, reductions in income to families add to stress that over time, creates pressures that may bring families into contact with the child welfare system. Several child welfare workers reasoned that welfare recipients could be expected to respond in the same ways that some other people do when they lose their source of income, with deterioration in their coping skills. In the words of one social worker: “Increased maltreatment is likely. I look at the people I know. Before they lose their jobs, everything is ok and then when the job goes away, it’s easy for a person to become unglued. Times are going to get harder... you exhaust your coping skills and child abuse will go up.”

In spite of these rather gloomy predictions about the harms that may befall children, other informants were equally persuasive about the strengths of poor families. One provider of kinship support services was adamant in her defense of poor parents-- “Other people expect maltreatment to increase, but they don’t know. They always project terrible things on this population.” We were frequently reminded by our respondents that life has never been easy for poor families.

Whether or not the incidence of maltreatment changes under welfare reform, the new structure of the welfare program will bring many more families under the surveillance of county workers who will be required to monitor child rearing activities such as school attendance and immunizations. It is therefore possible that many cases of child abuse and neglect that might have in the past gone undetected and unreported will be seen by eligibility workers or other county staff. Several of our informants pointed out the importance of this monitoring or case-finding effect stating that TANF will uncover quickly those families who are in trouble, whereas in the past they might have been missed until it was too late—“We hide them now until the kid shows up in the detention system.” According to one social services worker, our current system may not be ready for these newly-found cases:

Welfare reform brings us into so much closer contact with really vulnerable families that we don’t have contact with now--that’s going to have an effect. Not an effect on the incidence of child abuse and neglect-- a case finding effect--a monitoring effect. This will be the result of a more

universal work participation requirement. Now, we have 20-25% of welfare families involved in the GAIN program. Because we had limited resources, the really troubled families were not in the program. Now the law requires that we dig deeper into our caseload and bring everybody in and we're going to find a large number of families who will require a referral to CPS...I don't think it's bad. But I don't know if society is ready for the foster care implications--I'm sure they're not ready. For awhile, the public will demand that we find some place for these kids. The public doesn't buy that foster care is a bad place, and that kids are rootless. . .but there's not nearly enough foster care out there--never mind good, redeeming foster care.

Beyond the case-finding effects that may occur under welfare reform, the child welfare system's response to troubled families may shift if especially large numbers of families are reported for maltreatment. While some county child welfare workers predicted that the system's threshold will change in the direction of tolerating more abuse before removal, at least one county has a new directive to assess for emotional abuse children in homes where domestic violence occurs, and to consider removal of these children. (Currently, children are rarely removed for reasons of emotional abuse.) Finally, while former Governor Wilson's proposals for welfare reform would have included automatic referrals to child welfare for families reaching time limits, these provisions were not specifically included in CalWORKS. Whether individual counties will adopt these measures will likely have a significant impact on the child welfare system's capacity to respond to needy children.

Family well-being and child well-being were repeatedly voiced as concerns among a number of respondents. The CalWORKS legislation echoes these concerns regarding child well-being and demands that performance outcomes specifically be assessed to determine "child well-being, including entries to foster care, at-risk births, school achievement, child poverty, and child abuse reports" (AB 1542, Sec. 10541 (b)). As noted above, some respondents, including two high level administrators interviewed, did not anticipate much change in the number of children entering kinship care as a consequence of the legislation. Several other respondents however, hypothesized that kinship care will grow because of an increase in child neglect. A legislative advisor from one county observed:

Lack of child care will leave many parents with no alternative but to neglect their children if they don't want to lose their benefits. Los Angeles needs an estimated 30,000 more child care slots to fully implement welfare reform. Most new cases coming into the child welfare system will be [additional] neglect cases. (note: Neglect, as opposed to abuse, is already the reason most children enter foster care.)

In the absence of adequate child care, some state officials see a "foster care safety net" protecting children from harm. A legislative consultant argued, for example, that--

”There will be an increase in neglect and abandonment. We are going to need a lot more child care--there is not enough, and there are unsatisfactory places.”

One way of helping meet this increased need for child care without having to resort to the formal foster care system may be to allow recipient relative caregivers to become licensed child care providers and to provide child care as a way of fulfilling their work requirement. A foster care recruiter from one county noted that although she had not noticed an increase in relatives on TANF who were asking for child welfare funds, there was an increase in the number of TANF recipients, including relatives, who were asking for day care licenses. (Currently, foster care payments are for the room and board of children, and foster care is not considered work, while day care is.

Several of our respondents suggested that, as in the past, substance abuse and crime are likely to contribute to the need for kinship care. A child welfare worker noted “It’s realistic to expect families to look to child welfare. Substance abusing TANF moms will push kids off on relatives. For families who are desperate, they’ll turn to relatives.” A small number of respondents mentioned the possibility that parents will turn to crime (particularly drugs) when they start losing money through sanctions and grant reductions, and subsequently more children may be removed from their homes and placed with kin through the formal foster care system. Finally, of great concern to one legal advocate was the issue of drug felons and the treatment that they and their extended families are likely to receive under welfare reform. In her words, “Many of the women we work with are drug felons under CalWORKS, who will go home to mothers who’ve been caring for their kids. Since she [the drug felon] won’t be eligible, her kids will be dependent on their grandparents longer.” This informant added that the voucher rule concerning drug felons in a household will “make matters worse.” According to this stipulation, homes with drug felons will not receive a regular TANF check, but rather vouchers in the amount of the child-only grant--a provision, she felt, that “will hurt the entire family unit.”

Some of our informants were optimistic that on balance, welfare reform would help families by pressuring members of the middle generation *to* “pull themselves together” which in turn would benefit their parents and children alike. Others were unsure about how welfare reform would impact on families and felt it impossible to predict family outcomes until the legislation had been operational for some time. Still other informants, however, were outspoken in their belief that TANF was going to hurt children. A grandparent advocate was among this latter group stating that:

There will absolutely be families who look toward the child welfare system. Some relatives won’t know what to do. If the parent goes off aid, what will be the standards for how much neglect we’ll stand? We won’t pull all of the homeless kids, but we will see relative care grow. The child-only grant won’t be enough to care for a family. These people are struggling to begin with. The kids won’t be safe. The public will demand that we do something for the kids on the street. Poverty is very stressful, and it’s likely that neglect will increase and even abuse. It’s human nature.

Increases in Formal Kinship Care

Although the primary focus of our interviews was on issues and concerns related to the potential impacts of the welfare reform legislation on grandparent caregivers and the children in their care, we also were interested in informant opinions regarding the possible effects of welfare reform on the formal kinship care system with which many grandparent headed families are involved. A wide array of issues was raised by informants concerning the possible impacts of welfare reform on the formal kinship care system.

Measures to avoid formal out-of-home care were built into the Legislative Analyst Office's original welfare reform proposal and some characteristics of that version of reform were retained in CalWORKS. Specifically, kin caregivers were exempt from both work requirement and time limits in the first plan, and may be exempt, at county discretion, in the new law. Although some of our respondents held that these measures would be sufficient to avoid any increase in child dependency, others were concerned that growing numbers of children might well end up in formal out-of-home placements in the new era of welfare reform.

Several of the health and social service providers in our study reported that many of their clients had heard rumors about TANF reforms and that some were experiencing fear and confusion about future funding. One child welfare worker remarked that informal kinship caregivers had been calling the child welfare offices in her county to ask about child welfare funding, although they were not eligible for foster care funding because their kin children were not in formal foster care.

Most of the key informants we interviewed expected formal kinship care to increase, but they were quite divided as to why this would occur. Some saw foster care payments (i.e., payments that are higher than welfare payments) and the change in funding streams (i.e., AFDC/TANF as a block grant and foster care funding a retained entitlement) as the primary incentives. One policy analyst pointed out that this expected shift could have been much greater if California had not established a basic safety net through CalWORKS: "More children will transition from parent to relative, but without the child-only safety net, this would have been even more likely. Now, a family may still be able to combine the child-only grant with other sources and get by. . ."

Since CalWORKS guarantees a continued child-only grant or vouchers after an adult has reached time limits, most respondents doubted that there would be a flood of children who require out-of-home care as soon as their parents are denied aid. Others pointed out that there were significant barriers to entrance into the child welfare system that were financial, administrative, and judicial-- "Entering the child welfare system is a lot of trouble to go through, and you have to meet the qualifications." A county child welfare worker explained that if she had been asked six months ago, she would have instantly responded that kinship care was bound to increase as soon as sanctions and time

limits begin to affect recipients. Now, however, because of the child-only grant, she feels that the effect will be gradual. Families who have their incomes reduced to child-only grants will try to make do with these reduced funds and whatever other supports they can muster. Eventually, she continued, insufficient funds to cover rent and other necessities may cause families to break down, and children may end up being neglected or abused and placed in formal kinship care.

Beyond formal placement by child welfare officials, a number of our respondents suggested that more subtle changes in family formation may take place in the new era of welfare reform. Their predictions varied however, with regard to the nature and magnitude of these changes. The director of a large kinship support agency for example, did not foresee any increase in the number of children leaving their parents to live with kin. In contrast, a policy consultant hypothesized that funding availability would drive parents' and county administrators' decisions in this regard--"There is a clear incentive for the state to look for non-TANF sources for federal funding to pay for kids, so a lot of creative games will be played with waivers, etc." One county administrator predicted an increase by as much as 20% in the number of children in his county who would end up in the care of relatives, while others, without mentioning actual figures, suggested that the increase could be substantial. A kinship care provider argued, for example, that parents who are desperate "will turn to relatives, and the family will have to really explore all of the options...much more than money will be involved in decision making."

A positive outcome, according to one of our respondents, might involve some parents turning to their relatives when they are under unreasonably high levels of stress, without waiting for child abuse to occur and for someone to make a child abuse report. An attorney who works with grandparents believes it is very likely that biological parents will give their children over to relatives when they reach sanctions—"Parents are going to be in crisis, especially if they have new children

Exiting the Child Welfare System

Some evidence currently is available to suggest that children whose kinship foster parents receive foster care funding remain in care longer than children who are cared for by relatives who receive AFDC/TANF (Berrick & Needell, in press). Some of these differences in outcomes may be associated with the higher foster care payments, or to other factors that are difficult to measure. Children take longer to reunify from kinship care than from non-kin care, although more than half of the children who enter foster care ultimately are returned to their parents, regardless of where they were placed while in care (Needell, Webster, Armijo, and Cuccaro-Alamin, 1998). Whether birth parents benefit or suffer from welfare reform will be reflected in possible changes in these reunification rates. Birth parents who lose their eligibility for aid because their children are no longer living with them may find it increasingly difficult to comply with their mandated reunification plans. We know, also, that children placed in kinship foster care are less likely to be adopted ultimately than children placed in non-kin care (Berrick & Needell, in press) and that this may be related, in part, to family and cultural perspectives

on the value and importance of maintaining parental rights to children (Berrick, Barth, & Needell, in press). Finally, several authors have pointed out that kinship foster parents have little incentive to exit dependent children from the child welfare system into legal guardianship since guardianship subsidies--available to non-kin who elect guardianship--are not made available to kin in most states (Courtney & Needell, 1997; Testa, 1997).

Since there appear to be differential outcomes in terms of children's opportunities to exit foster care when placed with kin, it was important to determine whether our respondents perceived that welfare reform might further these trends. We also wanted to determine our respondents' perceptions of whether recent changes in state and federal legislation concerning child welfare services might force on kin issues of adoption that heretofore were not relevant. The Adoption and Safe Families Act (H.R. 867) places a premium on adoption, with tax credits, subsidies, and fiscal rewards for states that increase their adoption rates. In California, the Governor's Adoption Initiative also promotes adoption by relatives, and A.B. 1544 establishes kinship adoption, which attempts to remove some of the barriers to adoption "by empowering families, including extended families, to care for their own children safely and permanently whenever possible, by preserving family relationships, thereby causing the least amount of disruption to the child and the family, and by recognizing the importance of sibling and half-sibling relationships." (Sec 8714.5. (2)).

Many respondents noted that for the most part kinship caregivers remain resistant to adoption. One policy analyst suggested, however, that adoptions are now increasing, largely because more kin are being informed about this as an option:

The barrier to adoption has been attitudinal. Now we're shifting to adoption, even relative kin adoption. . .we have a law that says that relatives are the preferred placement, and a lot of really ingrained beliefs about the sanctity of the family. If relatives refuse adoption, we won't see a large number of kids moved out of their [relative] homes. That's why so much effort is being spent trying to get kin to adopt, but the reasons kin don't adopt are complicated.

Because of the sensitive nature of kinship adoptions, many informants suggested caution in implementing new adoption initiatives where kin are concerned: "The possible changes in the kinship foster system are a positive move, but adoption changes are monumental. It's a good thing to strengthen kin adoption, but quotas are causing workers to coerce and force kin to adopt. Some kin will adopt out of fear." Others were more optimistic about kinship caregivers' capacity to change their beliefs about adoption. One legal analyst noted, "There is much resistance to adoption, but grandparents need to be educated about the benefits--many just don't understand about the protection and funding it would give them."

Changes in child welfare law were seen by some as rapidly colliding with welfare reform. In particular, new laws that expedite permanence for very young children (AB 1524, Chapter 1083, Statutes of 1996) may pose special challenges for kin who provide care for children who transition to formal out-of-home care as a result of welfare reform.

Kin, it was suggested, will need to think ahead about their potential long-term relationship to their relative children when they are asked to provide foster care, since they will be encouraged, eventually, to make a long-term legal commitment to the child: "If kids go into child welfare, relatives are going to have to make some quick, serious decisions, because they are being encouraged to adopt."

Similarly, changes will be required in the child welfare services system if the quality of kinship adoption is to be improved. Some counties have done a considerable amount of kinship adoptions in the past, and in some cases the adoption workers have not been satisfied with the quality of the adoptive home. These adoptions have proceeded anyway, but some child welfare workers caution that: "Better assessments need to be done in the beginning. In the past, we really haven't known anything about relative caregivers."

Some informants expect that there will be efforts to take away the child welfare entitlement or make other eligibility changes in order to restrict or deny paid subsidies to relatives. Recent legislation (AB2779, Chapter 329, 1998) mandates the state to work with counties to plan a separate and distinct kinship care system, "uniquely suited to the needs of children being cared for by their kin". We do not know at this time if or how subsidies to relatives may change under this new system.

For those kin who do not adopt, there is considerable interest, both at the state and federal level, in the promotion of a guardianship exit from the child welfare system. Legal guardianship offers kin an opportunity to assume responsibility for the child, without severing parental rights.

The National Council of State Human Service Administrators has adopted a resolution that urges Congress to amend Title IV-E to authorize "federal participation in a state option to fund private guardianship or other legal permanency arrangements with kin for children who otherwise would have remained in long-term foster care." (American Public Welfare Association, 1997). California has recently passed legislation (SB1901, Chapter 1055, 1998) that allows children in stable, longterm formal foster care with relatives to exit the system to guardianship and receive an ongoing subsidies, known as Kin Guardian Assistance Payments, or Kin-GAP, after exit. SB 1901 permits payments of Kin-GAP only to related dependency guardianships, not to those kin who have assumed guardianship after a period of informal care.

The Need for Data and Research

Of real concern to many of our informants was the lack of data regarding how many people are likely to be affected by welfare reform and with what consequences. In the words of a policy analyst, "We need to know what we're dealing with. We need to collect more information. Lots of caregivers are hanging on by a thread financially, but how many are there?"

Some respondents stressed the need to be collecting hard data as soon as they're available on things like the make up of the counties' 20% exemptions, so that we can know what to expect down the line, and how to prepare for it. A kinship care program director stated that "Grave decisions are being made, affecting a large percentage of our society. Who's raising children in America?: grandparents, aunts and biological parents. We won't see what's going on with TANF until 1999."

As mentioned earlier, CalWORKS does require a thorough evaluation of the effects of reform on child well-being, including child abuse reports and entries to foster care. One informant suggested that those who crafted the legislation are well aware of its faults: "Policy makers have no intention of being here in five years, or else they think welfare reform is bad, but that they can tweak it along the way. We can expect abject poverty, children taken away from their families or dying--it will be important to track this."

Not surprisingly, the interview questions that yielded the least information had to do with data. Not a single respondent reported knowing of data currently available which could help answer critical questions about the number of relatives who might be able to transition from TANF to more secure sources of income (such as Social Security or SSI), or about the number of relatives who may themselves be cut off from SSI funding because of their resident status.

Finally, collecting hard outcome data was seen by several of our informants as critical if policy makers were to see and be held accountable for the results, both positive and negative, of the new policies being imposed. In the words of one analyst, "I think the only way you get policy makers to do the right thing is to make them see the actual consequences of their decisions."

Summary

Our respondents provided considerable insight into the possible impacts of welfare reform on grandparent caregivers. Although in a few areas (such as interstate disincentives) the opinions expressed tended to converge, most of the areas examined, such as time limits and work requirements, yielded a wide range of sentiments and predictions. The issues raised in our interviews suggest a number of areas for further research and policy deliberation. Key among the questions raised are (1) How do we balance concerns for equity (grandparent caregivers and parents should receive the same treatment under the law) with other issues of fairness (grandparents should not be penalized for taking in their grandchildren); (2) How can we break the cycle of teenage pregnancy and dependency without pressuring increased numbers of relatives into becoming de facto caregivers for their grandchildren; and (3) How do we insure adequate supports in terms of child care, job training, and job availability in conjunction with work requirements, teen mother sanctions and other provisions within the legislation?

In addition to the general questions above, our key informant interviews raised a number of often competing hypotheses that may merit further investigation:

- As parents hit time limits and work requirements, we will see an increase in the number of grandparents pressured to take in grandchildren (or additional grandchildren).
- There will be no significant increase in the number of relative caregiver households as a result of welfare time limits and work requirements.
- Children will suffer as a result of “child swapping” as parents no longer eligible for assistance turn their children over to relatives.
- Children will benefit from movement to the more stable and functional homes of relatives.
- Relative caregivers, by virtue of their generally older age and lower educational attainment and job skills, will have a harder time finding work than biological parents.
- Relative caregivers are not significantly different from parents needing to comply with work requirements and will face no greater obstacles in finding work.
- The work requirement will benefit relative caregivers in terms of improved self esteem and life satisfaction.
- The work requirement will harm grandparents psychologically by causing them to feel devalued in their role as caregivers; this may translate into lowered self esteem and life satisfaction.
- Welfare reform will ultimately cost the state in terms of increased MediCal expenditures as grandparents who take in grandchildren suffer an increase in their rate of physical decline.
- Welfare reform will not result in a significant worsening in health among caregivers, nor an increase in MediCal costs for this population.
- The requirement that single teenage mothers live with their parents and attend school as a condition of receiving aid will benefit both mothers and their children, and will not adversely affect grandparents in these households.
- The teen mother sanctions will result in artificial and forced living situations that will result in increased child abuse and elder abuse.

- The teen mother stipulation will result in a significant increase in the number of grandparents becoming de facto parents to their grandchildren; in a number of cases, grandparents will have to leave their own jobs in order to take on this role.
- The teen mother stipulation will affect very few families, and will not significantly increase the number of grandparents who have to leave work and in other ways change their lives to become de facto parents to their grandchildren.
- Interstate disincentives will harm grandparent headed households which may be unable to meet their economic needs.
- Interstate disincentives will effect only a very small number of families and their effects will be negligible.
- The drug felon clause will send more children into kinship care.
- The drug felon clause will encourage young women to ‘pull themselves together,’ thereby decreasing the need for relatives to assume or continue a caregiving role.
- There will be an increase in the number of children who are maltreated as a result of welfare reform.
- There will be a decrease in the number of children who are maltreated as a result of welfare reform.
- The “monitoring effect” will result in increased maltreatment reports because TANF workers will discover previously undetected cases of abuse and neglect.
- The threshold for what constitutes child abuse will change, and fewer maltreatment reports will result.
- Children will be more likely to enter the formal foster care system.
- Children will be less likely to enter the formal foster care system.
- Kin will be more likely to adopt.
- Kin will be more likely to choose guardianship.

Although it is beyond the scope of this paper to discuss in detail the research strategies which might usefully be employed to test these and other hypotheses, it should be noted that both qualitative and quantitative methods will be needed. Case control studies of parents and relative caregivers, for example, might be used to track and compare the job market experience of these two groups. Similarly, longitudinal studies including both standardized survey research instruments and in-depth semi structured interviews with grandparent caregivers might be employed to determine such trends as

changes in self esteem and life satisfaction as a consequence of various welfare reform provisions.

Careful monitoring of both Child Protective Services and Adult Protective Services data will be needed to test the hypothesized increase in child abuse and elder abuse cases as a consequence of welfare reform. Since many instances of abuse never come to the attention of police or social services personnel, however, qualitative strategies again might be utilized to help document caregiver's experiences in this regard.

Of considerable help in these data gathering efforts will be the addition to the 2000 Census of several questions which, for the first time, ask whether a grandparent or relative has primary responsibility for raising a child. Yet as noted earlier, critical state level data (e.g., on the number of teen mothers returning home to live with a parent, the duration and outcomes of the arrangement etc.) also will be needed to test the hypotheses presented above. Linkage of welfare histories with child abuse and foster care placement data will be necessary to understand the changing relationship between welfare and child welfare. Finally, qualitative interviews with families affected by CalWORKS will be needed to document their knowledge, interpretation and responses to the incentives provided, and their perceptions of changes—both positive and negative—in their intergenerational households as a consequence of welfare reform.

6. CONCLUDING ANALYSIS: POTENTIAL IMPLICATIONS OF WELFARE REFORM FOR GRANDPARENT CAREGIVERS AND THEIR FAMILIES

During the 1997 legislative session, much discussion turned on welfare reform and its implementation across California. Advocates for the poor highlighted the plight of vulnerable groups that might suffer disproportionately from the effects of change. Relative caregivers were among several groups (e.g., women with substance abuse or other mental health problems, battered women, women with especially large families, and women with few marketable skills) who were seen as likely to be especially challenged in a work-based aid environment. For some policymakers, the 20% exemption from time limits, offered by the federal government as a safety valve, seemed to be sufficient to catch the most disadvantaged families on aid including vulnerable relative caregivers. Others, however, raised concerns that equally disadvantaged recipients might be pitted against one another in an effort to secure a slot protecting them from destitution. With little information concerning the size or the characteristics of many of the above-named groups, welfare reform legislation was finally enacted with room for county discretion, county-based monitoring, and significant county risk built into the design of the program.

The final bill allowed shelter for some older caregivers from the requirements of work and from time limits, in part out of recognition of their unique status in age, and in part to protect counties from the effort of locating employment for an older work force. Caregivers ages 60 and older will be exempt from time limits, although they may only be exempt from work requirements if counties choose to offer this latitude for “good

cause.¹³,

Our analysis of statewide data on AFDC recipients suggests that although there were only about 2,000 caregivers, statewide, who were age 60 or older in 1996, this rate had grown steadily for the past six years. Efforts to protect the elderly (60+) from the work and time provisions of welfare reform therefore are unlikely to directly touch the majority of the older caregivers raising children in California. They further will miss caregivers who may be under age 50 and who were excluded from our age-based analysis.

Although relatively few caregivers will be affected by the 60+ exemptions, the less restrictive work environment for older relatives may create an inequity in the relationship between parents and older caregivers. The legislation provides recognition for relatives who offer support to other family members, and provides a modest incentive for them to continue to do so in a shifting welfare environment. Yet the balancing act in public policy is determining whether incentives such as these provide unintended effects that distort conventional family behaviors. The cash payments to parents and to relative caregivers will remain equal under CalWORKS, yet the exemptions surrounding work and time will not. Thus, work and time limit exemptions may serve as an incentive for parents to move their children into the homes of relatives who are at less risk for sanctions and are therefore more economically secure. Is this effect likely to occur? As one of our respondents indicated, "In a state as big as California, you'll see at least one of everything;" but what about more widespread changes than these?

As noted above, our analyses showed that the current size of the older caregiver population (age 50+) represents only 3% of the adult AFDC population. Since this population is dwarfed by the size of the younger aid group, even incremental movement from the regular AFDC program group into the smaller, older population could have a significant effect. That is, very modest changes at the margins of the regular AFDC population (1-3%) could result in a doubling in the size of the older caregiver group. Changes such as these--largely brought about when families hit time limits, sanctions, or other restrictions on aid--would still be quite insignificant for the total AFDC population, at least in the short run. Yet, it would be important to track the pace of the transition rate over time as such changes might eventually result in profound changes in the configuration of poor families. Whether these transitions occur more frequently among sub-groups of the AFDC population--particularly African American relative caregivers who, by virtue of younger age, may have been missed in our age-based analyses--will be especially important to consider.

The unresolved question is the number of parents who will select such an option, moving their children into the homes of relatives. Some families may indeed respond to the economic incentives created by a non-time-limited environment for older relatives. Yet the size of the financial gain that some families might realize by relocating their

¹³ Relatives who are providing care to a child who is a ward of the court, or who are at risk of foster care placement and whose caregiving responsibilities impede participation in regular employment or welfare-to-work activities are exempt. Some relatives in the TANF population may qualify under these conditions.

children are likely to be blunted by the child-only provision developed as part of CalWORKS. As described earlier, families who hit time limits will still be eligible to collect a child-only grant (or vouchers) for the children in the household. Such families, who otherwise might have faced destitution, may be able to manage financially, at least over the short run, with a reduced family income. As a result, the financial incentive to transfer care to a relative may well be, in essence, the value of the adult's portion of the grant.

Although the child-only safety net may help many families, this incentive will have disproportionate effects depending upon family size. The current benefit structure in California provides approximately \$279 for a family of one¹⁴, \$456 for a family of two, and \$565 for a family of three, etc. As is evident, the reduction in income from a three-person to a two-person family is \$109 (or 20%), whereas the reduction from a two-person to a one-person family is \$177 (or 39%). Thus, the larger a family, the weaker the financial incentive for a parent to place his or her children with a relative caregiver.

The issue of family size and the impact of sanctions also will affect older caregivers disproportionately. Since younger (<50) women, who make up the majority of adults on AFDC, are more likely to be caring for two or more children on aid, the child-only grant may provide a significant safety net for a large proportion of the AFDC population. This is less true for older caregivers who are more likely to care for only one child on aid. Older caregivers who only have one child and who live in counties that elect not to offer them an exemption from time limits may face more severe economic constraints under the child-only provisions than older caregivers in other counties that offer an exemption, or than many younger birth parents with two or more children.

Analyses of caregivers' cumulative stay on AFDC are artificial since time limits did not exist in the early 1990s, and it is impossible to predict how caregivers might have behaved in a different welfare environment. Yet virtually none of the elderly caregivers (age 60+) reached a 5-year lifetime limit, again suggesting that exemptions for this narrow group of caregivers will do little to protect the majority of relative caregivers. Nevertheless, if older (50+) caregivers are required to abide by time limits, a substantial proportion may be required to change their behavior or their circumstances. According to our data, about 30% of older caregivers would have hit a 2-year time limit had welfare reform occurred previously, and about 10% would have hit a lifetime restriction on aid.

How time limits may impact on the next generation of families is as yet uncertain as well. If the welfare program remains unchanged for some time, some younger women who hit time limits with their own children may be jeopardized if they are later required to raise their grandchildren or other young relatives. Those who do not hit time limits but are called upon to rear their relative children may be required to prove their eligibility, suggesting the importance of maintaining records for many years and even decades

¹⁴ As of 1997, AFDC rates were set by region of the state. Region 1 reflects higher cost of living counties and Region 2 reflects lower cost of living. The rates given above refer to Region 1 rates. Region 2 rates are approximately 5% lower. This is the most common payment standard but depending on the adult's income and other factors, different payment rates may apply.

following a period of welfare receipt (Mullen, 1998).

Although much remains unknown regarding the potential impacts of CalWORKS on older caregivers, the differences in county approaches to the implementation of the law are likely to result in significant disparities across the state. Although the provisions for county discretion were authorized in order to provide latitude to county governments, these differences may result in inequities between caregivers in like circumstances living in various locations. Careful county-by-county monitoring will be necessary to assess the impacts of the diverse county level approaches to the implementation of CalWORKS on grandparent caregivers and the families in their care.

In sum, welfare reform can provide a variety of important opportunities for families to improve their economic well-being and to secure a more comfortable living standard for children. Nevertheless, important sub-groups should be followed closely to determine whether these beneficial effects are realized. Older, poor relatives are one among several sub-populations whose circumstances are largely unknown to public officials. Our analysis suggests that the number of these caregivers is small, although this population may be one of the fastest growing in the welfare caseload. Their caregiving burden may be considerable, and our conservative estimates suggest that well over one-quarter may hit two-year time limits on aid.

What is as yet undetermined is the attachment of this caregiver population to the labor market, caregivers' educational and language skills (a disproportionate number are Hispanic or from other racial/ethnic groups), or their health status. Finally, little is known about the many additional relative caregivers under the age of 50 who may be using the TANF program as a means of support for their relative children. Because so much remains unknown about the effects of welfare reform on relative caregivers, targeted strategies are needed to track the characteristics of this group and the special circumstances of its families. It is hoped that the findings presented in this report will further the collection of more detailed and comprehensive data to inform the policy making process as welfare reform unfolds in the years ahead.

APPENDIX A

Data Tables A-4 – A-9 Corresponding to Figures 4 - 9 in Text

Table A-4

Child-only Households on AFDC, 1996, by Number of Children in Household

Number of Children in Household (1996)	1	2	3	4	5+
50-59 years	65,372	45,965	19,716	7,653	4,539

Source: California Medi-Cal Eligibility Data System Longitudinal Research Data Base

Table A-5

Growth in Older Caregiver Households on AFDC: 1990-1996

	1990	1991	1992	1993	1994	1995	1996
	n	n	n	n	n	n	n
Ages 18-49	533,914	613,442	647,499	705,069	730,972	716,695	666,786
Ages 50-59	7,230	8,590	9,848	11,875	14,078	16,051	16,980
Ages 60+	1,444	1,611	1,721	1,841	1,998	2,074	2,089
Total 50+	8,674	10,201	11,569	13,716	16,076	18,125	19,069

Source: California Medi-Cal Eligibility Data System Longitudinal Research Data Base

Table A-6

Older Caregivers on AFDC: 1996

Age of Caregiver	Ages 18-49	Ages 50-59	Over 60	Total Older Caregivers
California	666,786	16,980	2,089	19,069
Non L.A.	446,390	10,427	1,284	11,711
L.A.	220,396	6,553	805	7,358

Source: California Medi-Cal Eligibility Data System Longitudinal Research Data Base

Table A-7

Ethnicity of Older Caregiver AFDC Households

Ethnicity of Older Caregiver AFDC Households	African American	Caucasian	Hispanic	Other
50-59 years	2,191	3,689	7,171	3,877
60+ years	348	378	865	486

Source: California Medi-Cal Eligibility Data System Longitudinal Research Data Base

Table A-8

AFDC Family Size in Older Caregiver Households (Ages 50-59)*, 1996

Number of Children in Household	1		2		3		4		5+		Total
	n	%	n	%	n	%	n	%	n	%	
California Ages 18-49	235,529	36	203,843	31	120,004	18	54,795	8	37,573	6	651,744
California Ages 50-59	10,150	60	4,050	21	1,523	9	683	4	637	4	17,043
Non L.A. (Ages 50-59)	5,965	57	2,486	21	1,029	10	465	4	486	5	10,431
L.A. (Ages 50-59)	4,185	63	1,564	24	494	8	218	3	151	2	6,612

Source: California Medi-Cal Eligibility Data System Longitudinal Research Data Base

Table A-9

AFDC Family Size in Elderly (60+) Caregiver Households, 1996

Number of Children in Household	1		2		3		4		5+		Total
	n	%	n	%	n	%	n	%	n	%	
California Age 18-49	235,529	36	203,843	31	120,004	18	54,795	8	37,573	6	651,744
California Age 60+	1,238	61	458	22	192	10	73	4	73	4	2,034
Non L.A. Age 60+	741	59	284	23	123	10	46	4	48	4	1,242
L.A. Age 60+	497	62	174	22	69	9	27	3	25	3	792

Source: California Medi-Cal Eligibility Data System Longitudinal Research Data Base

APPENDIX B

List of Key Informants

Pat Aguiar, Chief, Foster Care Policy Branch, California Department of Social Services
Eloise Anderson, Director, California Department of Social Services
Ellen Barry, Director, Legal Services for Prisoners with Children
Rikki Baum, Policy Consultant, California Policy Seminar
Todd Bland, Legislative Analyst's Office
Jean Carpenter, California Chapter, AARP
Luvirda Carter, Los Angeles County DCFS Kinship Program
Theresa Contreras, Chief, Foster Care Placement Policy Unit, California Department of Social Services
Ellen Dektar, Policy Consultant for Senator Diane Watson
River Ginchild, Legal Services for Prisoners with Children
Jack Hailey, Senate Office of Research
Vangeria Harvey, Staff Attorney, Grandparent Caregiver Advocacy Project
Mary Hayes, Los Angeles County DCFS Kinship Program
Lillian Johnson, Executive Director, Edgewood Family Center
David Maxwell Jolly, Assembly Appropriations Committee
Marjorie Kelley, Deputy Director, California Department of Social Services
Lloyd King, Grandparents as Parents
Kathy Kubota, Los Angeles County Department of Children and Family Services
Evelyn Mason, Grandparent caregiver advocate/ California Coalition for Grandparent and Relative Caregivers/ Kinship Care Council, Los Angeles
Ethyl Molo, Grandparent caregiver representative, Oakland California
Casey McKeever, Staff Attorney, Western Center on Law and Poverty
Frank Mecca, Executive Director, County Welfare Director's Association
Sherry Novick, Chief of Staff for Assemblywoman Dion Aroner's
Giannina Perez, Staff member for Senator Hilda Solis
Joni Pitcl, California Partnership for Children
Lenora Poe, Psychologist/ Support group leader/ relative caregiver advocate
Kathleen M. Roe, Professor, San Jose State and former Associate Director, Brookdale Grandparent Information Project
Bob Sesler, Director Contra Costa County Office on Aging
Ann Smith, General Manager, Los Angeles City Department on Aging
Mary Thomas, Foster parent trainer and recruiter, Tulare County
Rachael Tyler, Assistant Professor or Pediatrics, University of California, Los Angeles and Principal Investigator, Kinship Care Study
Sari Wade, San Francisco County Kinship Supervisor
Barbara Wasson, Grandparent caregiver advocate/ GAP Warmline
Charlene Welty, Program Analyst, Foster Care Placement Policy Unit, California Department of Social Services
Ida Willis, Grandparent caregiver representative
Renee Woodworth, former Coordinator, Grandparent Information Center, AARP

APPENDIX C

Interview Schedule

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