CAP

New York State's

CHILD ASSISTANCE PROGRAM

A Welfare Reform Demonstration Project

BEYOND WELFARE REFORM:
NEW YORK'S CHILD ASSISTANCE PROGRAM

The Child Assistance Program (CAP) is a New York State initiative designed to provide a rational, efficient and dignified alternative to the current system of support for the thousands of poor children in single-parent families who now are forced to depend on welfare. CAP's premise is that the support of children is the responsibility of custodial and non-custodial parents alike, with supplementary assistance to be provided by the state only when the parents' contributions are insufficient.

CAP is based on recommendations offered by the Governor's Task Force on Poverty in its December 1986 report, A New Social Contract: Rethinking the Nature and Purpose of Public Assistance. State enabling legislation and federal financial participation were secured in 1987. Authority to operate CAP has been extended through March 1994.

CAP responds to the challenge posed by the welfare system's inherent limitations, going well beyond current statute and practice in providing single parents with real financial incentives to work and in affirming the responsibility of absent parents to support their children. CAP's basic principles include themes that were articulated in the national welfare reform debate but were not fully manifested in the Family Support Act. Unlike other states' demonstration projects, CAP is not just an enhancement or modification of AFDC but a real alternative to the welfare system.

- **CAP helps children escape poverty,** by providing incentives for increasing the contributions made by the absent parent (through child support) and the custodial parent (through earnings), and supplementing income as necessary. Unlike AFDC, under which modest earnings generally mean the loss of aid at a point which leaves the family little or no better off than if the adult were not working at all, CAP supplementation can continue until the family is out of poverty.

- **CAP encourages single mothers to work,** by assuring that their increased earnings will mean greater household income. Unlike AFDC, which generally reduces benefits by a dollar for each dollar of earnings, CAP's benefit reduction rate is much lower, only 10 percent for earnings below the poverty level.

- **CAP encourages custodial parents to obtain child support orders.** The government takes on the responsibility for collecting the payments owed, and guarantees at least a minimum level of income for the children.

CAP gives an AFDC parent the choice of leaving welfare to participate in an alternative program under which she can combine her own earnings and child support payments from the absent father with state supplementation to improve her family's economic well-being. CAP offers a carefully designed program built on:

- **Intensive case management**, using carefully selected and trained staff to coordinate an assessment of the family's needs with the provision of benefits and services.

o **Simplified reporting requirements and procedures**, to minimize inconvenience in the establishment and maintenance of eligibility for assistance.

o **Respect for the participant,** by providing greater autonomy (for example, furnishing Food Stamp benefits in cash rather than coupons) and a dignified office setting.

CAP enrolled its first participants at the beginning of October 1988 in Chautauqua and Ulster counties. Albany and Allegany counties joined the program in January 1989, with Monroe, Niagara and Suffolk being added in April. Approximtely 1920 families are now enrolled in CAP.

Current program data indicate that CAP is succeeding in bringing single mothers and their children out of poverty. The average CAP participant relies primarily on her own earnings of $670 a month, supplemented by approximately $280 in CAP benefits and about $120 in cash benefits under the Food Stamp program; about 55 percent of all participants receive child care subsidies averaging $165 a month. Child support collections further reduce the net public outlay (including child care) to about $420 per month, or about 36 percent of total household income.

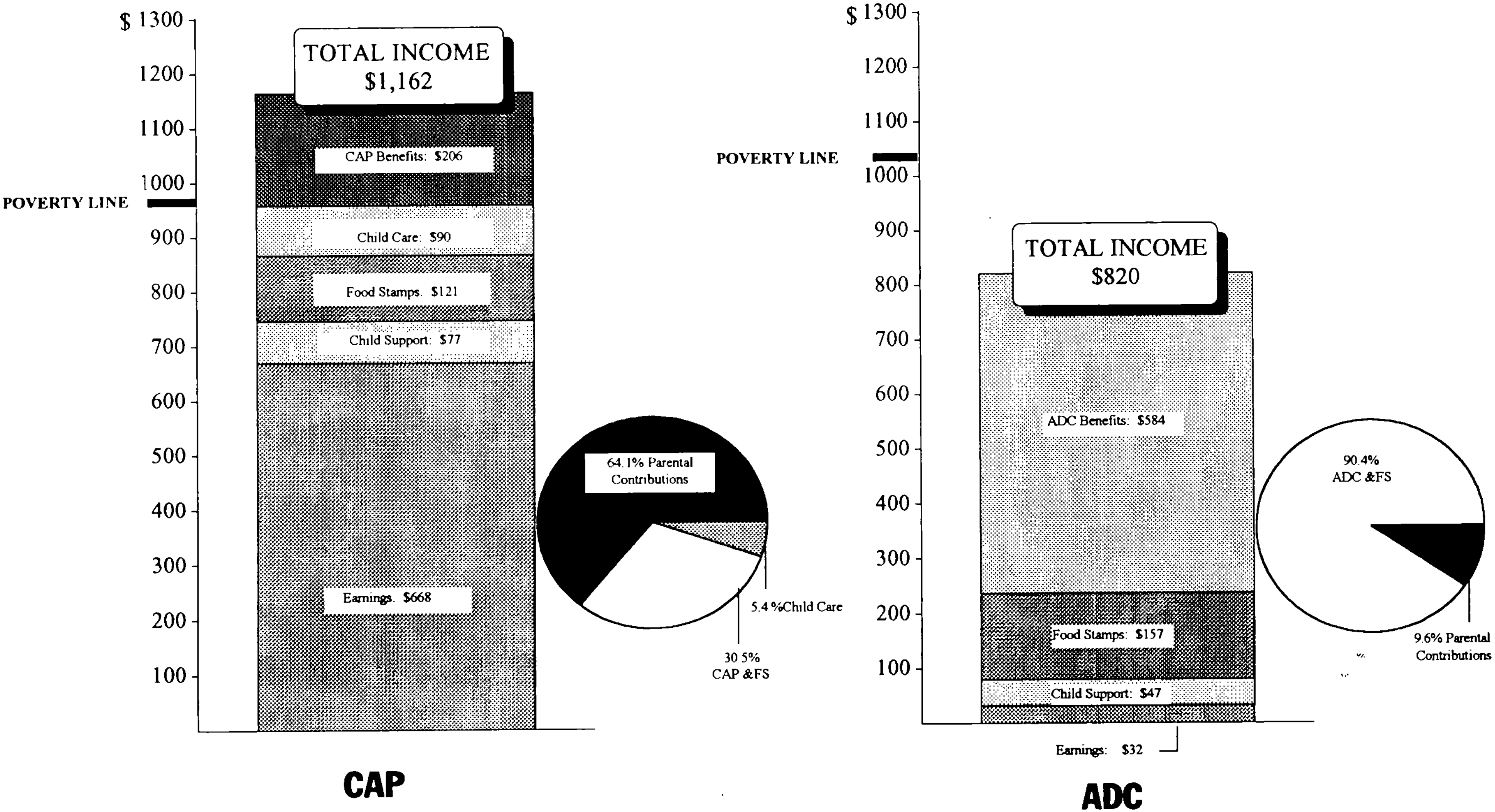
The long-range impact of CAP is being examined in an independent evaluation by Abt Associates, Inc. The research design varies between demonstration sites. In some of the sites, an experiment is being run with AFDC recipients randomly assigned to experimental and control groups. Only AFDC recipients in the experimental group are invited to participate in CAP. Use of the experimental design will provide information about the effects of CAP on seeking work and child support orders and the cost of the program relative to AFDC. In the remainder of the sites, enrollment is open to all eligible AFDC recipients. In addition to studying CAP's impact on the lives of participants, the evaluation includes a cost-benefit study, an examination of the effect of providing Food Stamp benefits in cash rather than coupons, and an assessment of the feasibility of replicating the program. A Department study of participants, completed in February 1991, found that a third of CAP participants had obtained employment or increased their earnings and a quarter had assisted in efforts to secure support orders for their children in order to take advantage of CAP's benefits. The independent evaluator's interim impact report found that, during the first twelve months after they were exposed to CAP, AFDC recipients in the experimental group had 25 percent more work hours and earnings than control group members. In addition, the number of families gaining support orders was 50 percent greater in the treatment group than in the control group. CAP families are able to enjoy higher total income without government having to spend additional money for benefits. A final report is due in the spring of 1993.

CAP's success in bringing single-parent families out of poverty has captured the attention of social policymakers nationwide. In 1991, CAP received recognition from the American Public Welfare Association's Successful Projects Initiative Awards Program (finalist). CAP was one of ten programs selected for the Ford Foundation/Harvard University's Innovations in State and Local Government award in 1992.

NYSDSS
4/93

Typical Monthly Family Income

CAP vs. ADC



Source: New York State Department of Social Services, April 1993

CHILD ASSISTANCE PROGRAM

1992 INNOVATIONS IN STATE AND LOCAL GOVERNMENT

It is hard to find anyone in the United States today who satisfied with the American welfare system. The Child Assistance Program (CAP) of New York's Department of Social Services is testing a different approach. CAP diverges from the conventional Aid to Families with Dependent Children (AFDC) program in several major respects. The key difference is the way CAP treats a welfare family's earnings and savings. Under AFDC, welfare recipients' benefits are severely reduced for every dollar they earn in a job. Recipients are also penalized if they accrue savings or have other assets valued over a set limit.

By contrast, CAP families keep 90 cents of every dollar they earn to supplement their welfare checks until their earnings pass the poverty level, and there is no limit on accumulated savings. CAP families receive child-care and food stamp benefits in cash, along with various other services aimed at promoting economic self-sufficiency. Benefits are gradually phased out as income increases, but families may remain on CAP until their income stabilizes above the poverty line. They are also eligible to continue receiving Medicaid coverage and child-care subsidies for up to one year after leaving CAP.

To participate in CAP, an AFDC parent with at least one child in the home—and the other parent living outside the home—must have a court order of child support. This reinforces the principle that both custodial and noncustodial parents are responsible for their children's financial well-being. Although having a job is not a prerequisite for participation in CAP, its benefits are structured so as to be financially advantageous over AFDC only for recipients with monthly earnings of $350 or more.

CAP is currently being tested in seven social service districts, which were selected to represent a demographic and geographic cross section of the state. As of August 1, 1992, CAP was serving 1,745 families. Plans are under way to expand the program to New York City as well as other jurisdictions in the state.

The New York Department of Social Services reports that despite difficulties caused by the national recession and the heavy competition for entry-level jobs, CAP has had a "dramatic" effect on the outlook of its participants. Ninety percent say they feel more financially secure, more independent, and have greater self-esteem on CAP than when on traditional welfare.

FORD FOUNDATION
NEW YORK, NEW YORK

Leaving welfare behind: Child Assistance Program participant Neva Abbey runs a certified day care center in Rochester, New York.

ALBANY, New York: WELFARE AND DIGNITY

In seven upstate counties, the state of New York is trying to end welfare dependency and, in the bargain, restore the dignity of the poor.

The four-year-old Child Assistance Program is an effort to improve on two key components of recent attempts to reform welfare: child support enforcement and income incentives. CAP allows parents, mainly single mothers with small children, to keep some welfare benefits while they work their way out of poverty; in exchange, they must help the state track down absent parents.

Under traditional welfare programs, benefits are reduced by a dollar for every dollar earned by working. Under CAP, the benefits are lower but a family's income can rise up to 150 percent of the poverty level; if a few dollars can be set aside as savings, there is no penalty. When money coming in from child support, CAP and employment is totalled, the average family participating in CAP has an income 22 percent above the poverty line—a big part of the reason why as many as 20 percent of welfare recipients have signed on in some counties.

The work disincentive, however, is only one damaging aspect of the old welfare system. Just as egregious is the blow to self-esteem: the stigma, the hours-long waits in welfare offices, the demeaning treatment to which recipients are often subjected. Traditional welfare "always made me feel like poor white trash," says Melinda Parsons, who is now participating in CAP. "I never want to go back on it."

Parsons, who lives in Dunkirk, describes what she went through three years ago when she became pregnant and applied for welfare: probing personal questions from an unsympathetic case worker, followed by a long wait for certification. After that, there was the disdain of store clerks when she used food stamps to buy groceries.

Imagine a welfare system in which the recipients arrange to meet their case workers by appointment, and are greeted courteously in a plant-filled waiting room by someone who really does seem to have their interest at heart. And under CAP, there are no food stamps and no complicated formulas for reimbursement for child care and training and education. A check takes care of those expenses, in advance.

CAP does have drawbacks, the most serious being that many who might want to participate will never qualify. Eligibility depends entirely upon the custodial parent's ability to obtain a court order requiring the absent parent to pay child support. But absent parents are notorious for making themselves hard to find; some CAP participants have even been forced out of the program when an absent parent died.

Project Manager Michael Warner admits that this requirement is a little too tough, but says it is rooted in the underlying philosophy of the program, that parents—not the state—have the primary responsibility for supporting their children. Under CAP, the state will support them when they do.

—Brenda L. Wilson

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David Wells photograph

National Journal

Welfare Experiment Show[s] [Si]gns of Success

By KEVIN SACK
Special to The New York Times

ALBANY, June 10 — A welfare experiment started four years ago in New York State is having significant success in providing welfare mothers with the work incentives needed to wean themselves gradually from dependency, a long-awaited study of the program has found.

The Child Assistance Program was started in seven upstate co... 1988, encourages welfare mothe... by allowing them to keep a lar... of their welfare grants ev... are working. Because ... carrot and does... being used ... typifies ... proach...

many of whom said the ... given them both the fin... and the self-esteem ... times of welfare d...

"CAP is like w... bottle or off... Nancy K. ... mother ... ly bu... tha...

Costs About the Same

...Bane said that the program ... cost the state about the ...mount as A.F.D.C., but that it ...save the state money as recip... gradually leave the rolls. Al... the state spends less on wel... ...nefits for CAP participants ...F.D.C. recipients, CAP has ...inistrative costs. ...e, CAP caseworkers ... handle 50 families at ...F.D.C. workers have ...up to 200 families. It is ...nal attention, often deliv... bright, attractive offices, that ...s the greatest impression ... ...any CAP partici...

THE POST-JOURNAL, Jamestown, New York — Thursday, June 11, 1992

Alternative To Welfare Hailed As A Success

...I. ANDERSON

Chautauqua County Social Services Commissioner Charles A. Ferraro said that under public assistance, recipients would be at 72 ...ent of the poverty limit, while ... they are at 116 percent ... get less ...

The Buffalo News/Friday, July 3, 1992

A new kind of welfare could help reform sys...

It shows clients that work wo...

THREE — call her Suzy — was earning $799 from her part-time job and ... ting $386 from taxpayers each month ... she entered an experimental N... State program that tries to he... ...ers help themselves. When she left the ... later, she was makir...

A NIAGARA County mother of ...

CAP helps single parents gain their independenc[e]

By ROBERT MITCHELL
Freeman staff

KINGSTON — "Elaine" ... herself a single mother w... children to care for ... divorce.

After years of struggl... lic assistance, Elaine qua... the Child Assistance Program, a... alternative that she hopes will someday help her leave welfare and attain financial independence.

CAP, a voluntary progr... single parents ...

Tuesday, July 7, 1992

THE CHRISTIAN SCIENCE MONITOR

States Try to Break Welfare Cycle

ECONOMY

By David C. Walters
Staff writer of The Christian Science Monitor

BOSTON

A WAVE of welfare reform is sweeping across the United States.

The changes are propelled by tighter state budgets and by voters' perceptions that the safety net is still too comfortable for a ...e part of the welfare popula...

county architect came in and he made a huge waiting room all glassed in and 13 little offices. We said 'No!'

"We only have three or four chairs in our waiting room because we don't expect people to wait. We have private interviewing rooms with silk flowers and toys for the kids," Lynch say... "The message is: 'You don't ha... to wait because being a sin... parent who is also working, y... are doing all the right thing...'"

CAP also gives mothers ... food stamps in cash rather ... coupons, which carry the s... of poverty. And because low... jobs almost never provide ... insurance, CAP allows the ... ing mother and her kids t... the Medicaid program f... after leaving CAP.

General Description of the Evaluation

The evaluation has four primary objectives:

1. To learn whether CAP achieved its goals of increasing employment, earnings, and orders of support and reducing dependence on government support.

2. To determine whether the benefits attributable to CAP were substantial enough to warrant the costs incurred under the program.

3. To ascertain how cashing out food stamp benefits for CAP participants affects their household expenditure patterns.

4. To assess the feasibility of replicating CAP statewide and to suggest improvements in program design and operation that would facilitate statewide expansion.

The evaluation will be comprised of four major components, each focusing on one of the above objectives: the first objective will be addressed by an impact study, the second by a benefit-cost study, the third by a household expenditure study, and the fourth by an implementation/process study. The findings of these four studies will be integrated and synthesized in order to assess the overall performance of the program.

The impact study will examine the extent to which CAP serves as an incentive for custodial parents receiving ADC to initiate or increase work effort and to cooperate more fully with efforts to locate absent parents and secure and enforce orders of support. In addition, the impact study will explore whether CAP diminishes dependency by increasing income derived from employment and child support or whether it has the unintended effect of prolonging dependency by providing higher benefits than ADC. Finally, the impact study will assess whether certain types of recipients benefit more from the program than do others.

The benefit-cost analysis will compare the impacts of CAP to the costs associated with the program. Benefit-cost comparisons will be valued from the perspective of ADC recipients, the government (local, state, and federal), and society as a whole. In addition, the question of whether CAP is more cost-effective for certain types of recipients than for others will be addressed.

The household expenditure study explores a question that has considerable policy relevance for the Food Stamp Program: Does the provision of food stamp benefits in the form of cash rather than coupons alter the way that households spend money? More specifically, does cashout lead to a change in the proportion of the household budget directed to food purchases or alter the distribution of food expenditures between food purchased for consumption at home and food purchased and consumed away from home?

The implementation/process study will analyze the experiences of the demonstration districts in implementing CAP and will identify models of program organization, staffing, and client outreach that appear to be particularly effective. The implementation/process study will also examine rates and patterns of participation in CAP, for the purpose of projecting whether the group of recipients likely to enroll in the program will be of sufficient size and diversity to justify statewide expansion.

The impact and benefit-cost studies will be based on an experiment to be conducted in three of the demonstration districts: Monroe, Niagara, and Suffolk. ADC custodial parents will be assigned randomly to experimental and control groups; the experimental group will be invited to participate in CAP, while the control group will not be permitted to enroll in the program. Both groups will be followed to learn whether ADC custodial parents change their behavior in response to the incentives offered under CAP. The control group will provide an indication of what would have occurred in the absence of CAP.

The household expenditure study will be conducted in the three experimental demonstration sites. A quasi-experimental design will be used to assess the impact of food stamp cashout on household expenditure patterns. The treatment group will include CAP households receiving food stamps benefits as part of their checks, and the comparison group will be composed of similarly situated ADC households receiving food stamp coupons. Comparisons between the two groups will reveal whether the form in which their food stamp benefits arrive affects their purchasing behavior.

The implementation/process study will be based on observation of program implementation and operation, interviews with clients and staff, administrative records, and other sources of information about the program. It will be conducted in all seven demonstration districts. However, the analysis of levels and patterns of participation in CAP will focus primarily on the four non-experimental sites (Albany, Allegany, Chautauqua, and Ulster). These four sites, which we refer to as "saturation" districts, will not be subject to the constraints on outreach and enrollment that will be imposed on the experimental districts by the research design. Therefore, the non-experimental districts will provide a better picture of what we can expect in terms of numbers and types of participants if the program were implemented statewide than would the experimental districts.

NEW YORK STATE
DEPARTMENT OF SOCIAL SERVICES

Mario M. Cuomo, Governor
Mary Jo Bane, Commissioner

Beyond Welfare:

The Child Assistance Program (CAP)

Office of Program Planning, Analysis and Development
and
Division of Income Maintenance

February 1991

Chapter 1

Introduction

Beyond Welfare

The Child Assistance Program (CAP) demonstration project represents a major effort by New York State to operationalize a dignified and viable alternative to the nation's primary welfare program, Aid To Families With Dependent Children (ADC). CAP was conceived and developed by the New York State Department of Social Services under the direction of Commissioner Cesar Perales. The program reflects many of the recommendations put forth by New York State's Task Force on Poverty and Welfare in its 1986 report.[1] CAP does not represent still another attempt to reform welfare. Rather, it is a unique financial aid and service delivery system that is designed to promote the material well-being and life chances of children in ADC single-parent families, while at the same time ensuring that their parents -- both custodial and noncustodial -- take responsibility for supporting their children to the best of their ability. The program is committed to helping ADC single-parent families move out of poverty and attain economic self-sufficiency, through the work effort of the custodial parent and child support provided by the noncustodial parent. But recognizing that the earnings and child support available to these

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[1]New York State Task Force on Poverty and Welfare, *A New Social Contract: Rethinking the Nature and Purpose of Public Assistance*, December 1986.

families are often insufficient to raise them out of poverty, CAP provides financial assistance to supplement -- not supplant -- the contributions of the parents. The CAP supplement is intended solely for the support of the children in ADC single-parent families; the custodial parent and other adult household members are expected to provide for their own needs.

The CAP demonstration comes at a time of major change in national welfare policy. The Family Support Act (FSA) of 1988 places a renewed emphasis on moving welfare recipients from dependency to financial self-sufficiency. Under its provisions, every state is required to operate a Job Opportunities and Basic Skills Training (JOBS) Program. This new program imposes additional requirements on states to provide ADC recipients with educational opportunities, vocational training, and job placement services, and modifies the ADC employment requirement to mandate participation in work or training activities for parents whose youngest child is age 3 or older. In addition, recognizing that the poverty of ADC households is partially attributable to the failure of absent parents to pay child support, the FSA requires that states meet performance standards in establishing paternity and establish child support guidelines and automatic wage withholding. The successful implementation of these and other FSA initiatives should help to decrease dependency among single-parent families. But unlike CAP, the FSA does little to address some of the major impediments to economic self-sufficiency inherent in the present ADC system.

Historically, the ADC program has been ineffective in overcoming poverty and fostering financial independence. This is due in part to the fact that in nearly all areas of the country, ADC and food stamp benefits combined are insufficient to lift a family out of poverty. Providing benefits below federal poverty levels, however, would not be so problematic if the ADC program allowed recipients to combine their benefits with earnings to raise their standard of living. In fact, ADC does just the opposite. After four months on a job, an ADC recipient faces a reduction in benefits of close to one dollar for every dollar earned. This treatment of earned income serves as a strong disincentive to employment -- for unlike others in the labor market, ADC recipients generally do not see an increase in their disposable income from their work effort. Given the current ADC earnings policy, it is not surprising that the most common way for women to leave welfare is through marriage, not work. Even for those women who do earn their way off ADC, the results are less than promising. Because of their limited earning power, they often move from the welfare poor to the working poor, with no substantial increase in income. This evidence suggests that, if we are to substantially reduce poverty for the children of those ADC mothers with limited earnings (or child support) prospects, continued government transfers may be necessary. To avoid creating total dependency, however, benefits should supplement, rather than replace, earnings.

Compounding these problems has been the long-term trend in welfare administration that has seen ADC workers performing "investigative" functions related to eligibility and benefits rather than "service" functions designed to promote financial self-sufficiency. It is no longer necessary for a worker to get to know a recipient beyond the information required by procedures. The lack of communication between workers and recipients works against the supportive measures needed to help recipients become self-sufficient. It is also important to note that recipients with earnings are subject to more regulations, more rules, and more documentation requirements than those without earnings. This may discourage recipients from securing jobs, thus negating the very goal of independence we should be supporting. These characteristics of the ADC program have had a negative impact on the ability of social services agencies to serve as effective antipoverty organizations.

CAP moves well beyond the recent FSA initiatives in attacking the multiple shortcomings of the ADC program. It offers ADC recipients: (1) strong incentives to increase work effort and to assist child support enforcement authorities in pursuing support orders and collections; (2) individualized case management services to guide them toward financial self-sufficiency; and (3) a supplement to their income that will provide a realistic route out of poverty. And helping ADC families escape poverty is paramount if we are to improve the life chances of poor children. Children who are raised in poverty suffer economic, social, educational, and medical disadvantages that severely curtail their chances of leading healthy, productive lives. Childhood poverty often translates into a lifetime of diminished opportunity, impaired health, and most tragically, extinguished hope.

The greatest challenge to social policymakers is to help these children. But the task must be undertaken, not only because we, as a society, will benefit in the long run from doing so, but also because it is the just and responsible thing to do. Reorganizing and redirecting the vast array of services provided to single mothers and their children should be a major focus of our efforts. CAP recognizes that not everyone can be made totally independent of welfare. There are many recipients who, because of mental or physical infirmities, age, or other problems, will always be somewhat dependent on the system. Yet, even these individuals can benefit from interventions aimed at making them productive contributors to society, and partially, if not totally, self-sufficient. A break with ADC tradition will be required if we are to accomplish this goal. CAP is a major first step in that direction.

Program Design

Participation in CAP is limited by three important factors. First, the program is limited to custodial parents and children who are eligible to receive ADC. Second, program benefits are based on the number of children in the family who are members of the ADC case and are covered by a court-issued order of child support. And third, although employment is not a prerequisite to participation, the program's benefit logic is structured so that CAP is only financially advantageous over ADC when the custodial parent has gross monthly earnings of $350 or more. The demonstration's success will be determined in large part by how effective CAP is in motivating recipients to take the steps necessary (i.e., obtain a support order and/or increase their work effort) to take advantage of the program.

By requiring a support order for each child included in the CAP case, the program is intended to encourage ADC recipients to participate more actively in efforts to locate absent parents and to obtain and enforce support orders. Although ADC recipients are required to cooperate with child support enforcement activities, their cooperation is mostly passive -- responding to periodic, but unaggressive, inquiries from ADC and/or child support workers. Furthermore, because support collection rights are assigned to the social services agency and only the first $50 per month of collections are "passed through" to the ADC family, the ADC recipient lacks a strong incentive to pursue child support orders, especially multiple orders against multiple absent parents. By contrast, even though CAP participants also assign support payments to the social services agency, CAP offers two compelling reasons for ADC parents to actively pursue child support orders. First, by obtaining at least one support order, an ADC custodial parent can gain entry to CAP's more favorable benefit and case management package. Second, because the CAP benefit is based on the number of children in the ADC case who are covered by support orders, the custodial parent is motivated to seek child support orders against the absent parents of all of his or her children. Thus, CAP puts into practice the principle that children are entitled to the financial support of both their parents, noncustodial as well as custodial.

CAP combines a lower basic benefit level -- the CAP grant is approximately 2/3 of the ADC grant -- with a dramatically lower benefit reduction rate. CAP benefits are reduced by 10 cents for each dollar of earnings up to the poverty level and by 67 cents for each dollar earned in excess of the poverty level for a given family size. In comparison, after four months of employment, the ADC benefit reduction rate is approximately 100 percent of a recipient's earnings. So although the basic benefit provided under CAP is lower than the basic benefit provided under ADC, a recipient's total household income can be higher because of CAP's more favorable treatment of the recipient's earnings.

Moreover, eligibility for CAP can continue until a family's income is as much as 150 percent of the poverty line. This feature of the program creates a powerful incentive for recipients to obtain jobs and to work more hours. It can be expected to have a significant impact on the work habits of recipients, as well as on their economic well-being.

CAP has several other features designed to reduce poverty and encourage economic independence. CAP provides food stamp benefits by check (commonly referred to as cashout) rather than by coupons. In addition to giving families greater discretion in budgeting their income, cashout is expected to reduce the stigma that many recipients associate with having to use coupons. CAP also provides child care benefits in cash rather than using the ADC earned income disregard policy. Under ADC, a recipient's employment-related child care costs are used to offset the earnings used in the ADC benefit calculation. Many ADC recipients do not understand the logic of the disregard policy and, in fact, are often unaware that child care costs are taken into consideration in the ADC benefit determination process (possibly reducing the incentive for ADC recipients to seek employment). CAP recognizes the interrelatedness of employment, child care, and economic self-sufficiency and places a strong emphasis on identifying and meeting child care needs.

CAP encourages recipients to assume greater responsibility for managing their household budgets, by eliminating the restricted shelter and energy payments commonly used in ADC. Under ADC, social service agencies often retain a significant portion of a recipient's grant to pay the recipient's rent, fuel, or utility bills directly. While this process has certain administrative benefits for the social service agency, it promotes dependency on the system and may have negative consequences for a recipient's self-esteem. CAP prohibits restricted payments, opting instead to help participants budget their income and pay their bills on time.

To further assist participants in their efforts to become self-supporting, CAP has waived the ADC resource rule, which prohibits recipients from accumulating resources in excess of $1000 (including the value of a car in excess of $1500). By encouraging participants to save, CAP hopes to counter the tendency for recipients to depend on the social services system, rather than their own resources, to deal with the day-to-day financial crises that confront all families.

The various program features described above certainly help to define CAP as a financial assistance program designed to combat poverty and promote financial self-sufficiency. However, it may be the administrative structure or "culture" of CAP that truly distinguishes it from ADC in New York State. Many of the traditional practices of ADC offices inadvertently erode recipients' sense of dignity and self-worth, making it more difficult for them to succeed. Having to wait a long time to see a worker or being frustrated in efforts to learn about or gain access to available services gives recipients a negative message -- that they are unimportant, a number on a list. CAP attempts to provide an alternative to the ADC administrative structure by establishing office environments that can respond directly and positively to the needs of the program's participants. Recognizing that many single mothers are poor because they are trying to balance two responsibilities -- nurturing their children and providing for their needs -- or because they lack the education, opportunity, or vision to succeed in a competitive job market, CAP offers comprehensive case management services designed to ensure that a client receives all necessary and appropriate services in a timely manner. This is accomplished through the CAP case manager, who generally carries a caseload of 50 families (as opposed to caseloads of 150-200 for ADC workers), and who emphasizes the goals of independence and responsibility, by helping the participant develop a personalized plan that sets realistic goals for improving the family's social and economic well-being.

While many worthwhile welfare reform initiatives have been implemented in recent years by both federal and state governments, few, if any, have attempted to depart so radically from the traditional welfare system. CAP represents a comprehensive effort to improve the lives of poor single parents and their children, by offering them a viable alternative financial support system.

Program Implementation

The CAP demonstration project is currently being administered in seven local social services districts (counties), which were selected to represent a demographic and geographic cross-section of New York State. The program was implemented in Chautauqua and Ulster Counties in October 1988, in Albany and Allegany Counties in January 1989, and in Monroe, Niagara and Suffolk Counties in April 1989.

Three of the demonstration sites -- Monroe, Niagara, and Suffolk -- are participating in an experiment designed to measure the impact of CAP. In these counties, almost 4,300 ADC single-parent families have been assigned randomly to treatment and control groups. Members of the treatment group have been informed of CAP and have been offered the opportunity to participate if they meet the program's eligibility requirements, while members of the control group will not be permitted to enroll in CAP for the duration of the demonstration, even if they qualify for the program. The behavior of both groups will be tracked for a period of two years, and then the groups will be compared with respect to their employment, income, participation in education and training programs, child support status, and receipt of government benefits.

In the remaining four demonstration sites -- Albany, Allegany, Chautauqua and Ulster -- enrollment is open to all eligible single-parent ADC families, and for this reason, we refer to them as "saturation" counties. By utilizing both the experimental and saturation configurations, we are able to observe how CAP operates under normal (i.e., nonexperimental) conditions, as well as to rigorously evaluate the impact of the program on single-parent families.

Beyond the saturation versus experimental delineation, the demonstration sites are distinguished by varying physical and organizational differences. To help establish a unique program identity and culture, all demonstration counties except Albany have positioned their CAP offices in a location away from their public assistance office buildings. Organizationally, Allegany's CAP coordinator reports directly to the commissioner of the local department of social services (LDSS); Albany's CAP program is part of the LDSS employment division; and the remaining five CAP offices are placed within the LDSS income maintenance division.

In all seven counties, staff responsibilities include informing ADC recipients about CAP, recruiting potential CAP participants, determining eligibility and issuing benefits, providing case management for CAP aspirants and participants, and maintaining links with service providers and potential referral sources (e.g., other LDSS divisions and community-based agencies). Two staff functions -- outreach and case management -- require exceptional energy and ingenuity. Outreach efforts are aimed at marketing the program to the LDSS and the community, as well as recruiting prospective CAP participants. Outreach activities may begin with presentations by CAP staff to groups or individuals, and may occur in the ADC or CAP office, at social gatherings arranged by CAP staff, or at community organization meetings. CAP staff also contact directly many ADC recipients who have a child support order or a recent attachment to the labor force. Potential enrollees also hear about CAP through informational letters, brochures, posters, and word-of-mouth. In addition, all seven CAP offices publish newsletters for CAP aspirants and participants.

The other demanding staff function, case management, often begins during outreach. CAP staff work with CAP aspirants and participants to develop self-sufficiency plans, which set long-term goals and identify means of overcoming barriers to those goals. Case managers often link CAP aspirants and participants with employers, child care providers, or other service providers, as needed under the self-sufficiency plan. In order to provide these links, CAP staff maintain up-to-date information on the various programs and services offered by the LDSS and community organizations.

The Evaluation of CAP

The Department has contracted with Abt Associates, a research firm based in Cambridge, Massachusetts, to conduct a rigorous and comprehensive evaluation of CAP. The evaluation is comprised of four major studies:

Impact Study: This study will test whether CAP serves as an incentive for custodial parents to obtain jobs, work more hours, and take a more active role in the process of establishing support orders for their children. The impact study will explore whether CAP is successful in achieving its goals of increasing custodial parent earnings, augmenting the child support paid by absent parents, reducing dependence on government assistance, and helping families escape poverty.

Benefit-cost Study: This study will assess whether CAP is a worthwhile investment of resources. It will compare the benefits attributable to CAP (e.g., increased earnings, child support collections, and tax revenues, and reduced government assistance payments) to the costs associated with the program (e.g., direct and indirect administrative costs, increased child care subsidies).

Implementation and Process Study: This study will explore how CAP operates in practice and what factors contribute to its success or failure. The implementation and process study will help policymakers plan for statewide implementation by identifying programmatic, organizational, and environmental structures that are associated with effective implementation.

Food Stamp Cashout Study: This study addresses the question of whether the provision of food stamp benefits in the form of cash as opposed to coupons alters the food purchasing patterns of recipients.

After completing the first round of follow-up interviews with treatment and control group members, Abt will write a report describing the interim results from the impact study. This report, which is due in December 1991, will also contain information from the implementation and process study concerning CAP's first two years of operation. A final report on all four studies is expected in May 1993.

This Report

This report describes the results of a special study undertaken by the Department. The purpose of the study was to provide Department policymakers and administrators with an early indication of how well CAP is working, so that they can make informed decisions about necessary program modifications and the level of resources to allocate to CAP. The report examines the level and nature of client response to CAP and the effects of the program on employment, earnings, standard of living, family relationships, and other areas of participants' lives. Although the report imparts valuable information about CAP's performance to date and the prospects for its success in the future, it does not offer conclusive evidence concerning its impact; rather, definitive conclusions regarding this aspect of the program's results cannot be reached until the Abt evaluation is completed. This is because our study, unlike the Abt evaluation, does not include a control group, which would enable us to rule out factors other than CAP (e.g., labor market trends) as explanations for changes in recipients' behavior and life situations.

The report is based on data derived from four sources: (1) the Hotline Survey; (2) the Participation Study; (3) the Welfare Management System (WMS); and (4) focus group and individual interviews with CAP participants. These data sources are described briefly below; a more detailed discussion is provided in Appendix A.

Designed and conducted by Department staff, the Hotline Survey involved telephone interviews with 276 CAP participants in the four saturation counties between May 29 and June 11, 1990. The survey was restricted to these counties because of the extensive client interviewing that Abt is performing in the experimental districts as part of the impact study. Participants were asked about 50 questions relating to topics such as the nature of the jobs they held, purchases and savings while in CAP, perceived changes in their outlook on life since entering CAP, and perceptions about the effect CAP has had on their children. The Participation Study served as a source of information on the level of awareness and knowledge of CAP among ADC recipients and actions taken by custodial parents either to become eligible for CAP or to realize greater financial benefit from the program. Data for the Participation Study, which is still in progress, are being collected through in-person interviews conducted by local CAP staff with samples of CAP participants (at time of enrollment in CAP) and ADC custodial parents (at time of ADC recertification). Because of the restrictions on enrollment in CAP in the experimental counties, the Participation Study is being conducted only in the saturation counties. This report uses data gathered on 192 CAP participants and 205 ADC recipients during the first year of the Participation Study. The Welfare Management System, a Department database that contains administrative data on all welfare recipients in the state, served as a source of information on earned and unearned income and government benefits received by CAP participants. Finally, at least 50 CAP participants have been interviewed individually and in focus groups for the purpose of acquiring a deeper and richer understanding of their experiences with CAP than can be obtained through structured, closed-ended questionnaires like those used in the Hotline Survey and Participation Study.

The format of the report is as follows. The next chapter, Chapter 2, presents information on rates and patterns of participation in CAP. Chapter 3 examines changes in the behavior of custodial parents with respect to employment and child support prior to enrolling in CAP. Chapter 4 explores the effects of CAP on the financial well-being of participating families. Chapter 5 looks at the effects of CAP on the outlook of participants, the attitudes and behavior of their children, and family life. And finally, Chapter 6 highlights the key findings of the study and discusses their implications.

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