

argue that the child exclusion is irrelevant because we are offering families with the option to disregard up to 60 percent of earned income so that they are more likely to remain eligible for at least some ADC benefit. We are also being more generous with support services as ADC families find employment or move into better paying positions. In short, the argument is that the child exclusion families may actually be better off under the welfare reform measures being implemented than they would have been by receiving an increase in ADC benefits under the old rules. That argument misses the point in two ways. First, it's questionable how much additional help the family will receive. Most of the continuing support services, such as child care and medical coverage and others, are tied to income of 185 percent of the federal poverty level. Even a minimum wage job paying four and a quarter an hour can put a family of three over the poverty level when they would not be eligible for those benefits. Secondly, regardless of whether the family is better off, the child exclusion discriminates between children and their families based on an arbitrary standard of when the child was born. Whether a family is better off under welfare reform than it would have been under the old system is entirely irrelevant. The issue is whether it is right to provide assistance to one family at a higher level than to another family with the same circumstances and needs. Keep in mind that all the federal waivers we are approving with LB 455 are granted as a demonstration project. No amount of platitudes about the child exclusion being merely an aspect of a contractual relationship with an AFDC recipient and the state can hide the fact that the intents and purposes of the policy are, number one, to reduce benefits by excluding certain children, and, two, to carry on an experiment in behavior modification. Part of the understanding of the federal government approving the waivers we asked for is that the waivers are approved as a research experiment. On page 13 of the waiver terms and conditions communicated by the U.S. Department of Health and Human Services to Mary Dean Harvey is a statement that the assessments required to be performed as a condition of being granted the waiver will, at a minimum, test the following research questions. Does the demonstration affect birthrates? In explaining the request for the waiver in the first place, the department suggested that the increase in monthly ADC benefits acts as an additional financial incentive to have another child. Really, folks, how many of you would modify your behavior for the possibility of \$71 a month? Frankly, the argument that welfare benefits encourage women to have children is not taken seriously anymore. The Center on