

Congress Passes \$350 Billion Tax Bill

Congress passed legislation in May that provides \$330 billion in tax cuts and \$20 billion to states to provide fiscal relief. Vice President Dick Cheney cast the deciding vote in a close vote Senate vote.

Various tax provisions of the bill expire at different points during the legislation's 10-year lifetime. Since Congress is extremely unlikely to allow these tax cuts to expire, the actual cost of the tax cuts could range from more than \$800 billion to more than \$1 trillion over 10 years.

CWLA and other advocates for children are concerned that now Congress will not be able to make needed new investments in, or even maintain, existing funding for children's services. With a projected record federal deficit of \$400 billion, and the government's borrowing limit reaching \$1 trillion,

many members of Congress have expressed a desire to cut nondefense spending this year.

The tax cuts, intended as an economic stimulus, are overwhelming directed toward the wealthy by cutting taxes primarily on dividends and capital gains. More than 50% of the tax breaks will go to the richest Americans.

Supporters of the legislation are gambling that the short-term economic kick will outweigh the long-term risks of expanding budget deficits and mounting federal debt.

The final tax bill fell far short of what President Bush had originally proposed, and the House of Representatives had approved a \$550 billion tax package before reaching a compromise with the Senate. Republican leaders in both houses are pledging to drive through more tax cuts. **CM**

Tax Bill Offers States Some Fiscal Relief

Included in the tax bill is \$20 billion over two years for fiscal relief to the states. Half of that amount would go to states for general relief, and the other half is earmarked for state-run Medicaid programs.

Providing the states with federal fiscal relief and earmarking \$10 billion for Medicaid was one of the tax

package's more controversial provisions as it was debated in Congress.

Although ultimately included in the final bill, the total amount of fiscal relief to the states is far less than other proposals that CWLA supported, which would have provided \$40 billion to \$50 billion in immediate relief to states in 2003. **CM**

ADVOCACY SPOTLIGHT

URGE YOUR SENATORS AND REPRESENTATIVE TO:

- Oppose tax cuts that jeopardize children's services.

Take Action!

Contact the President and your U.S. Senators and Representative about key children's issues. Tell them how their actions impact the vulnerable children and families in your state and local community. Your voice does make a difference!

President George W. Bush

The President
The White House
1600 Pennsylvania Avenue NW
Washington DC 20500
Comment Line 202/456-1111
Fax 202/456-2461

Your U.S. Senators

The Honorable (insert name)
U.S. Senate
Washington DC 20510

Your U.S. Representative

The Honorable (insert name)
U.S. House of Representatives
Washington DC 20515

Call Your Member of Congress

Call the U.S. Capitol switchboard at 202/244-3121 and ask for your senator's or representative's office.

Contact by E-mail

Use CWLA Kids' Advocate Online to e-mail your senators and representative about key children's issues with a CWLA issue-specific letter, or write your own letter. Access Kids' Advocate Online via the advocacy page of CWLA's website at www.cwla.org/advocacy.

House Subcommittee Holds Hearing on ASFA

On April 8, the House Ways and Means Subcommittee on Human Resources held an oversight hearing on the Adoption and Safe Families Act (ASFA).

Witnesses included Wade Horn, Assistant Health and Human Services Secretary For Children and Families; Judith M. Schagrin, Assistant Director for Children's Services, Baltimore County Department of Social Services; Jennifer Miller, Senior Associate for Cornerstone Consulting Group; Cornelia Ashby, Director of Education, Workforce, and Income Security, U.S. General Accounting Office; Iowa State Representative Dave Heaton; Robin Arnold-Williams, Executive Director, Utah Department of Human Services; Chick-Fil-A Chair S. Truett Cathy; and Mark Hardin, Director of the National Child Welfare Resource Center on Legal and Judicial Issues.

CWLA submitted written testimony (available on CWLA's website at www.cwla.org/advocacy/asfatestimony-implementation.htm) reflecting on all aspects of the child welfare system, where ASFA has succeeded, and what more needs to be done. CWLA's testimony included a set of policy recommendations.

The subcommittee used the hearing to begin focusing on reauthorization of the state adoption incentive bonuses under ASFA, in which states receive \$4,000 for every child adopted, over an established baseline, and \$2,000 for every special-needs child adopted.

Under a White House proposal to restructure the bonus program, states would continue receiving the \$4,000-per-child incentive bonus after meeting a baseline of all adoptions from the

public foster care system. States would also qualify for an additional \$6,000 bonus, based on the number of children, age 9 and older, who are adopted from the foster care system. To qualify for this bonus, each state would have to exceed a different baseline calculated on this population of children.

Comprehensive Child Welfare Bill Introduced

Representative Ben Cardin (D-MD), ranking Democrat on the House Ways and Means Human Resources Subcommittee, introduced the Child Protective Services Improvement Act of 2003 (H.R. 1534) on April 1.

Representatives George Miller (D-CA), Pete Stark (D-CA), Jim McDermott (D-WA), Charles Rangel (D-NY), and Sander Levin (D-MI) are cosponsoring this comprehensive child welfare legislation.

CWLA supports this bill, which addresses the need for additional resources and accountability in the child welfare system. The bill removes the current foster care and adoption assistance link from the 1996 AFDC standard and allows states to link Title IV-E eligibility to their TANF cash assistance eligibility.

Cardin's bill mirrors one introduced in the last Congress, and to be reintroduced in this Congress, by Stark to help states address the child welfare workforce. In addition, H.R. 1534 includes previously introduced legislation to address the substance abuse treatment needs of families.

An expansion of training funds to cover agencies that are contracted or approved to provide child welfare services by the state is a key component of the bill. Finally, the bill creates a new fund to provide grants to states in their

efforts to implement their program improvement plans. An analysis of the bill is available on CWLA's website at www.cwla.org/advocacy/financing1534-summary.htm.

CAPTA Awaiting Final Conference Agreement

The Senate and House have both acted on reauthorization of the Child Abuse Prevention and Treatment Act (CAPTA) by passing bills that largely mirror legislation adopted last year. Both versions are in a conference committee, where the two sides are resolving the few remaining differences.

H.R. 14 and S. 342 both expand the type of services that can be funded with the basic state grants, although whether Congress will follow up with additional funding remains to be seen.

One issue that may still be in contention, and about which CWLA is concerned, is services to newborns. In cases in which infants are identified with fetal alcohol syndrome or suffering the effects of drug exposure, the House bill would require hospitals to refer those infants to child protective services.

The Senate bill would require states to have policies and procedures for referring these newborns and their families to services in the community that can address their comprehensive needs. CWLA recommended this language, and the Senate accepted the need for policies and procedures to help substance-exposed infants.

Both bills would allow states, where state law permits, to conduct child abuse and neglect proceedings in open court. The House bill says proceedings should be open to the extent that such disclosure is permitted and with consideration for the safety and well-being of the child and family.

See CAPTA, page 3



CAPTA, from page 2

The House version would also allow local program requirements to include respite care, home visiting, and family support services on the list of core services, placing them on the same level as parent mutual support, parent education, and other referrals already identified in Title II of CAPTA. The Senate bill doesn't include this language. CWLA supports the broader House language.

CAPTA reauthorization also includes reauthorization of the Adoption Opportunities and Abandoned Infants Assistance programs. Both of these programs remain relatively unchanged.

Senate Increases SSBG Funding in CARE Act

On April 9, the Senate passed the CARE Act (S. 476) which includes \$1.375 billion in new funds for the Social Services Block Grant (SSBG) for FYs 2003 and 2004.

In introducing the final Senate version of S. 476, Senator Chuck Grassley (R-IA), said, “[SSBG] is a very impor-

tant provision that will greatly benefit the states and, more importantly, those in need... This was a matter of great priority for me, and I am glad to see we have been able to include this funding.”

Other Senators, including Edward M. Kennedy (D-MA), Joseph Lieberman (D-CT), Thomas Daschle (D-SD), Richard Durbin (D-IL), and Frank Lautenberg (D-NJ), singled out their support of SSBG.

The CARE Act now goes to the House, where Representatives Roy Blunt (R-MO) and Harold Ford (D-TN) have introduced the House version, H.R. 7, which does not include an SSBG increase.

Under the Senate bill, SSBG would be funded at \$1.975 billion this year and \$2.8 billion in 2004. It would also allow (for two years) charitable deductions of up to \$250 for people who file their tax returns using the short form. The bill would expand some other forms of charitable giving and provide technical assistance to charitable groups

in their application for government funds.

The Administration released a statement supporting the Senate version of the CARE Act but strongly opposes the SSBG funding, saying,

The Administration strongly opposes the bill's proposed \$275 million and \$1.1 billion increases in funding for the Social Services Block Grant (SSBG) for fiscal years 2003 and 2004 respectively. Compared to FY 2002, this would represent a 16% increase in funding in FY 2003 and a 65% increase in funding in FY 2004. These large increases in SSBG funding far exceed the President's request and would create significant pressure to extend the 2004 level into the future, costing \$11 billion over 10 years if made permanent.

The House bill reflects the White House position on SSBG. The table below shows how much each state would receive if SSBG funding were increased to \$2.8 billion.

See Hill Highlights, page 4

SSBG State Allotments Compared

State	2003 Level	SSBG at
	\$1.7 billion	\$2.8 billion
	(\$ in millions)	
Alabama	26.500	43.320
Alaska	3.769	6.216
Arizona	31.503	52.685
Arkansas	15.980	26.167
California	204.793	339.065
Colorado	26.223	43.513
Connecticut	20.331	33.413
Delaware	4.726	7.796
DC	3.394	5.512
Florida	97.327	161.375
Georgia	49.766	82.655
Hawaii	7.268	12.020
Idaho	7.841	12.949
Illinois	74.093	121.666
Indiana	36.296	59.469
Iowa	17.352	28.356

Table continued on page 4



From page 3

House Reauthorizes Workforce Investment Act

Legislation to reauthorize the Workforce Investment Act (WIA) passed the House, mainly along party lines, on May 8.

The Workforce Reinvestment and Adult Education Act of 2003 (H.R.1261), includes a provision to eliminate the Youth Opportunity Grant Program. This program supports innovative strategies to serve at-risk youth, targeting youth who live in high-poverty areas, emphasizing prevocational skills, providing academic remediation, and encouraging post-secondary education.

The bill would divert 25% of WIA youth formula grants to launch

a new federal challenge grant program in place of the Youth Opportunity Grant Program. The new challenge grant program would be a step forward if it were paid for with new funding and not at the expense of WIA by eliminating Youth Opportunity grants.

H.R. 1261 would also eliminate the requirement for local WIA boards of directors to develop youth councils. These councils are a new approach for developing and coordinating local efforts to serve young people. They are critical to ensuring that local boards focus on the needs and interests of youth and engage a full range of key stakeholders often not represented on local boards. Eliminating this requirement would undercut the progress made by youth councils.

Another provision would allow faith-based groups to receive federal

funds while maintaining their religious identities, including hiring based on religious preferences. This provision would remove the current ban on hiring discrimination for religious reasons. Public policy must ensure that federal dollars go to providers whose programs, practices, policies, and services are nondiscriminatory in race, ethnicity, religion, gender, age, national origin, disability, sexual orientation, language of choice, color, or marital status.

Service providers must make a good-faith effort to respond effectively to the diverse communities they serve and take formal action to address any circumstance, such as a hiring decision, resulting in discrimination, which could compromise the quality of services to

See *Workforce*, page 5

Continued from page 3

SSBG State Allotments Compared (continued)

State	2003 Level \$1.7 billion	SSBG at \$2.8 billion
	(\$ in millions)	
Kansas	15.995	26.223
Kentucky	24.132	39.519
Louisiana	26.506	43.283
Maine	7.637	12.499
Maryland	31.906	52.701
Massachusetts	37.866	62.064
Michigan	59.304	97.043
Minnesota	29.515	48.468
Mississippi	16.965	27.729
Missouri	33.417	54.772
Montana	5.369	8.781
Nebraska	10.169	16.696
Nevada	12.501	20.986
New Hampshire	7.474	12.311
New Jersey	50.362	82.944
New Mexico	10.858	17.912
New York	112.848	184.977

Table continued on page 5



Workforce, from page 4

program recipients. Federal proposals must not preempt civil rights protections ensured by federal, state, and local laws.

CWLA opposes this legislation. It is unclear when the Senate will take up this bill.

House Passes Runaway and Homeless Youth Act

The House approved the Runaway and Homeless Youth Act (RHY, H.R. 1925) on May 20, by a vote of 403–14. This legislation, which would reauthorize RHY for five years, would provide vital support for community-based initiatives reuniting runaway and homeless youth with their families or, when that is not possible, providing tran-

sitional services to prepare them for adulthood.

The legislation includes two critical improvements to current law. Young people would be able to stay in transitional living programs beyond the 18-month maximum in those instances when they have reached the cap but have not yet reached their 18th birthday. The bill would allow them to stay until they turn 18.

H.R. 1925 would also adjust the formula for determining funding levels between the basic centers program and the transitional living program. Currently, only up to 30% can be used for transitional living; the remainder has to be used for basic centers. The legislation would allow 45%–55% to be used for transitional living, an adjustment that better reflects current community needs. These changes make important

improvements in the law and would benefit many young people.

The bill includes a new subsection authorizing maternity group homes, sometimes referred to as Second Chance Homes. These provide safe, nurturing environments for pregnant and parenting teens with no place else to go. Second Chance Homes are community-based, adult-supervised homes that give pregnant or parenting teens and their children a supportive place to live, where parenting teens can learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote economic independence and ensure their children's well-being.

A harmful amendment was defeated during committee consideration of the bill. The amendment

See Runaway, page 7

Continued from page 4

SSBG State Allotments Compared (continued)

State	2003 Level \$1.7 billion	SSBG at \$2.8 billion
	(\$ in millions)	
North Carolina	48.592	80.336
North Dakota	3.766	6.123
Ohio	67.511	110.279
Oklahoma	20.539	33.734
Oregon	20.614	34.002
Pennsylvania	72.934	119.102
Rhode Island	6.286	10.329
South Carolina	24.117	39.657
South Dakota	4.491	7.348
Tennessee	34.072	55.976
Texas	126.582	210.297
Utah	13.473	22.365
Vermont	3.639	5.954
Virginia	42.665	70.423
Washington	35.544	58.600
West Virginia	10.696	17.398
Wisconsin	32.065	52.538
Wyoming	2.935	4.815

Source: FFIS Federal Funds Information for States Issue Brief 03-16

New From GAO

Report Examines Child Welfare Workforce Problems

The U.S. General Accounting Office (GAO) has released a report on the challenges confronting the child welfare workforce. The results of the report are based on the analysis of nearly 600 exit interviews of former child welfare workers, a review of more than 27 state Child and Family Service Reviews (CFSRs), and GAO interviews with a random sample of CWLA public and private member agencies.

GAO makes a compelling case to policymakers and the public for supporting the child welfare workforce to better protect children and youth. The report provides a clear connection between retention rates, large caseloads, agencies' abilities to attain key federal safety and permanency goals.

The report points out that worker turnover negatively affects children's safety and permanency by delaying the timeliness of investigations and limiting the frequency and length of worker visits with children. The report also clearly documents that worker turnover disrupts continuity of services, and transitioning cases to remaining staff takes time and can result in delays to permanency decisions.

Citing how workforce issues affect state child welfare systems include, the report says, "Analysis of the 27 available CFSRs corroborates caseworkers' experiences showing that staff shortages, high caseloads, and worker turnover were factors impeding progress toward the achievement of federal safety and permanency outcomes."

On another issue of importance to members of Congress—permanency for children in the child welfare system—the report says, "All of the caseworkers we interviewed told us that transitioning cases to remaining staff takes time and can result in delays or changes to permanency decisions."

The report also indicates that Examination of the 27 completed CFSRs corroborates caseworkers' statements about the impact of recruitment and retention challenges on children's safety, permanency, and well-being... In all 27 CFSRs we analyzed, HHS explicitly cited workforce deficiencies—high caseloads, training deficiencies, and staffing shortages—that affected the attainment of at least one assessment measure.

The report, *Child Welfare: HHS Could Play a Greater Role in Helping Child Welfare Agencies Recruit and Retain Staff* (GAO-03-357), is available on CWLA's website at www.cwla.org/programs/workforce.

Survey Uncovers Cuts in State Child Care Funding

On May 5, GAO released a survey of state child care funding that finds that, since January 2001, changes to child care policies in 23 states have decreased the availability of child care.

The report, *Child Care: Recent State Policy Changes Affecting the Availability for Low-Income Families* (GAO-03-588), examines proposed state budgets for 2004. GAO determined 11 states would reduce funding, 11 would maintain current levels, and 7 would increase funding. Five states did not respond, and the remaining states were still developing child care budgets for 2004.

Actions states have taken since 2001 include changing income and other eligibility standards, such as transitional benefits for former TANF families; starting or eliminating child care

waiting lists; halting enrollments of new families applying for child care subsidies; or reducing or increasing copayments.

Parents Relinquish Custody of Children with Mental Illness

According to a recent GAO report, thousands of parents are turning their children over to the child welfare or juvenile justice systems so the children can receive treatment for mental illnesses. More than 12,700 children were placed in the child welfare or criminal justice systems in 2001.

Child Welfare and Juvenile Justice: Federal Agencies Could Play a Stronger Role in Helping States Reduce the Number of Children Placed Solely to Obtain Mental Health Services (GAO-03-397) is the first attempt by the federal government to assess the scope of the problem.

Acknowledging the lack of data, GAO concluded that many parents take drastic steps because they are unable to cope with their mentally ill children or because of the cost of care, insurance problems, or lack of access to services.

CWLA is working with congressional leaders, such as Representatives Pete Stark (D-CA) and Patrick Kennedy (D-RI), to develop legislation to address this issue. Those communities that have been able to lower the incidence of mental illness and keep troubled children and families intact, with an emphasis on prevention and flexibility, will be reviewed as possible model programs. *GAO reports are available online at www.gao.gov. Click on "GAO Reports," then "Find GAO Reports," and enter the report number.*

See **Points of Interest**, page 7



Runaway, from page 5

would have prohibited any federal funds provided through the act to be used for distributing contraceptive services. Restricting access to contraception would have a detrimental effect on these youth by deterring them from behaving responsibly and seeking much-needed health services. The amendment was defeated 29–12.

CWLA supports this legislation. Senate action is expected soon.

IDEA Funding Debate Moves to Senate

On April 30, the House of Representatives passed, on a 251–171 vote, reauthorization of the Individuals with Disabilities Education Act (IDEA, P.L. 105-17). The law guarantees children with disabilities a free public education in the “least restrictive environment.”

The measure (H.R. 1350) would streamline some paperwork requirements for teachers, limit parents’ ability to take legal action against school districts, and prevent children from being mislabeled as special education students when they might have a problem with only one skill, such as reading.

The debate now moves to the Senate, where controversy about funding is sure to get attention. House Republican leaders refused to allow a

floor vote on an amendment that would have converted the program’s discretionary funding to an entitlement program by designating the spending as mandatory. The amendment stood a good chance of being approved. Senate lawmakers are trying to reach bipartisan support for mandatory funding when they take up the bill in the next month.

Another remaining dispute involves guidelines over how to discipline students with disabilities. Current law allows schools to remove children with disabilities from the classroom for up to 45 days for serious offenses only. School administrators must investigate whether students’ actions were caused by their disabilities. The House bill would treat disabled students the same as nondisabled students for any violation of school policy and would not require school officials to determine if the violation was the result of a disability.

CWLA and other advocates for the disabled opposed the bill and contend that a student could be unfairly punished because of an action caused by the disability. In discussions on the Senate version of the bill, Senators Edward Kennedy (D-MA) and Jeff Sessions (R-AL) are nearing a compromise on discipline procedures. **CM**

Points of Interest

From page 6

CWLA Organizes Juvenile Justice Briefings

CWLA played a lead role in coordinating two congressional staff briefings on Capitol Hill on May 12 profiling community-based delinquency prevention strategies. Many congressional staff members heard firsthand accounts from five young people about their positive experiences in local programs.

Each of these programs receive funding from one of four federal initiatives—the 21st Century Community Learning Centers, the Runaway and Homeless Youth Act, the Juvenile Accountability Block Grant, and the Title V Local Delinquency Prevention Grant program.

These initiatives provide essential support for prevention and early intervention efforts. The briefings highlighted successful local programs as examples of the effectiveness of early intervention and alternatives to incarceration. Congressional staff were urged to support increased appropriations for the four federal programs. **CM**



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