

Congress to Consider Foster Care Block Grant

The U.S. House of Representatives is expected to soon introduce and act on a White House proposal to reform the child welfare financing system and allow states to cap, or block grant, their Title IV-E foster care funds.

Currently, each state is entitled to receive funds for each eligible child in its care, with no limit on the funds granted to the states.

Under the White House proposal, each state would have an option to receive a fixed, predetermined allocation, or block grant, of Title IV-E foster care maintenance payments, administrative costs, and training funds.

If a state decided to accept this option, it would receive a set amount of funding for five years, with no option of returning to the current funding system, even if caseloads or costs were to increase dramatically.

The formula for each state's fixed allotment would be based on a projected five-year cost estimate that is, in turn, based on a continuing link with 1996 AFDC standards, thereby resulting in an amount correlated to a smaller eligible population.

In exchange for an agreement to freeze funding at this level, each state would have the flexibility to use these funds for foster care, prevention services, and any other child welfare service,

and would no longer have to determine eligibility for individual children.

Although the current child welfare financing system is inadequate to provide the safety, permanence, and well-being that federal law requires, CWLA opposes the White House proposal. As a waiver proposal, it may serve the interests of a limited number of states, but as this Administration's effort to reform child welfare financing, it falls far short

See Block Grant, page 10

ADVOCACY SPOTLIGHT

URGE YOUR SENATORS AND REPRESENTATIVE TO:

- Support comprehensive reform of the federal, state, and local child welfare financing partnership and oppose any proposal that would convert foster care funding into a block grant and eliminate the federal guarantee of entitlement funding.

Senate Committee Approves TANF Reauthorization

On September 10, the Senate Finance Committee approved its version of legislation to reauthorize Temporary Assistance for Needy Families (TANF) for five years. Now, however, Congress is moving to approve a six-month extension of the current TANF law, with no increased funds, and then take up reauthorization again next year.

The Senate Finance Committee-passed bill is only a modest improvement over the TANF reauthorization bill (H.R. 4) passed earlier this year in the House of Representatives. A summary of that bill is available on CWLA's website at www.cwla.org/advocacy/tanf4summary.htm.

The Senate bill increases work hours for adults to 34 hours, instead of the current 30-hour requirement. It requires mothers with children younger than 6 to work 24 hours, instead of the current 20-hour requirement.

The key issue in the Senate TANF debate, however, is the level of child care funding. Similar to the House version, the Senate bill provides only a \$200 million increase in child care funds in the first year, then freezes child care funding for the next four years.

Senator Olympia Snowe (R-ME) indicated in the Finance Committee that she supports significant new resources for child care and will offer an amendment to increase funding by

\$6 billion to \$7 billion when the bill is considered by the full Senate.

During the committee debate, some Senators supported increasing child care funding by \$11.25 billion—the level endorsed by CWLA and other advocates. Opponents of additional child care funding, including the White House, argue that the recently passed state fiscal relief package already provides states with funds for child care.

The reauthorization bill includes a “universal engagement” provision that would require states to assess the skills, work experience, education, and barriers to employment of adult TANF recipients and to develop self-sufficiency

See TANF, page 10

Congress to Finalize FY 2004 Spending Bills

Throughout September, Congress has focused on completing the annual appropriations bills. Since much work remains on these bills, Congress will likely pass one or several short-term spending measures to keep the government running beyond the start of the federal fiscal year October 1.

The House of Representatives has passed its version of the bills that fund programs administered by the U.S. Departments of Health and Human Services (HHS), Justice, and Housing and Urban Development. The Senate will likely act on these bills in September. House and Senate conference committees will then meet to resolve any differences between their respective versions.

The chart on pages 4–5 shows the status of FY 2004 funding of selected federal children's programs.

Congress Rejects President's Request for Additional Child Abuse Prevention Funding

Earlier this year, President Bush asked Congress to increase funding for the Promoting Safe and Stable Families (PSSF) program and education and training vouchers for youth aging out of foster care. He proposed a \$100 million increase for PSSF, to \$505 million, and an increase in the voucher program from \$41.7 million to \$60 million.

Unfortunately, neither the House nor the Senate approved these increases in their FY 2004 appropriations bills.

By a vote of 49 to 46, most Senators supported an amendment to fully fund these programs. Unfortunately, due to a parliamentary requirement, the amendment needed 60 votes to pass. To find out how your Senators voted on

this amendment, go to www.cwla.org/advocacy/pssfvote.htm.

With strong support from the President and advocates, Congress can still approve these increases this year. A House-Senate conference committee will soon meet to set final funding for FY 2004. Those funding levels will then go to the Senate and House for a final vote. Agencies and organizations can sign on to a letter to the President asking him to continue to fight for full funding at www.cwla.org/advocacy/pssfletter.htm.

PSSF is one of the few sources of federal funding that supports prevention services. States use these funds for four categories of services: adoption support, family preservation, family reunification, and family support. Increasing PSSF funding is especially important this year because state budgets are under great stress, and many social services are being cut or eliminated.

Congress provided first-time funding of \$41.7 million in FY 2003 for educational and training vouchers for youth aging out of foster care and youth adopted from foster care at age 16 or older. This program provides a critical resource for older foster and adopted youth to get the training and educational support they need to make a successful transition to adulthood.

House Continues Juvenile Justice Cuts

Funding for juvenile delinquency prevention has been on the chopping block for the past two years, and this trend continues in the House-passed FY 2004 spending bill for the U.S. Department of Justice.

The bill slashes funding for the Juvenile Accountability Block Grant to \$100 million, down from \$190 million in FY03 and \$249.5 million in FY02.

Funding for the Title V Local Delinquency Prevention Grant program would increase over the FY03 level but still would be a cut from previous years, while earmarks continue to increase.

FY04 funding for Title V was set at \$92.3 million—but earmarks for special purposes total \$57.5 million, leaving only \$34.8 million for grants. Funding for the new Delinquency Prevention Block Grant (DPBG) is inadequate at only \$40 million. Total FY03 funding for programs consolidated in DPBG is \$127.3 million.

These cuts are particularly troubling since a strong, effective juvenile justice system was recently reaffirmed by passage of the bipartisan Juvenile Justice and Delinquency Prevention Act (P.L. 107-273), which gave state and local governments more flexibility in addressing juvenile crime and delinquency, with a greater emphasis on prevention, treatment, and alternatives to incarceration. Additional funds are necessary to successfully integrate these options into the juvenile justice system.

To strengthen the juvenile justice system to meet the prevention and rehabilitative needs of adjudicated youth and those at risk of adjudication, Congress must invest adequately in community-based juvenile crime prevention efforts and state juvenile justice efforts to reduce crime and delinquency.

Low-Income Housing Funds Insufficient

The House FY04 appropriations bill that funds the U.S. Department of Housing and Urban Development increases funding for Section 8 low-income housing assistance vouchers \$810 million over FY 2003 levels. That increase reflects an amendment introduced on the House floor by Representative Jerrold Nadler (D-NY) that added

See *Housing*, page 3



Housing, from page 2

\$150 million. This spending bill rejects the Bush Administration's attempt to convert the Section 8 low-income housing assistance program from a voucher program to block grants.

Advocates continue to press for additional funding for the Section 8 program to cover rising rents for existing vouchers and provide for additional vouchers. Even with the increase in the House bill, some 68,000 vouchers will not be funded without additional resources. Never before in the program's three-decade history has Congress failed to provide sufficient funds to renew all vouchers in use.

CARE Act Increases SSBG Funding

Earlier this year, the Senate passed the CARE Act (S. 476), which included \$1.375 billion in new funds for the Social Services Block Grant (SSBG). The Senate bill would fund SSBG at \$1.975 billion this year and \$2.8 billion in 2004.

The table at right shows how much each state would receive if the Senate SSBG provisions were included in the final version of the CARE Act.

The bill also allows, for two years, charitable deductions of up to \$250 for those people who file their tax returns using the short form. The bill also expands some other forms of charitable giving and is intended to provide technical assistance to charitable groups in applying for government funds.

The House, which passed its version, H.R. 7, on September 17, included some of the same tax provisions as the Senate bill but did not include SSBG funding. A House-Senate conference committee will meet to reconcile the respective differences and decide on a final bill.

See CARE Act, page 6

SSBG State Allotments Compared

State	2003 Level \$1.7 billion (\$ in millions)	SSBG at \$2.8 billion
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
District of Columbia	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
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
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: Federal Funds Information for States Issue Brief 03-16

Funding for Selected Children's Programs

(Amounts in Millions of Dollars and Rounded)

	FY 2003 ¹	FY 2004 Administration Request	FY 2004 House ²	FY 2004 Senate ³
Protective and Preventive Services				
Child Welfare Services (Title IV-B)	290.09	291.90	291.90	290.09
Promoting Safe and Stable Families (Title IV-B, Subpart 2) Mandatory	305.00 ⁴	305.00	305.00	305.00
Promoting Safe and Stable Families (Title IV-B, Subpart 2) Discretionary	99.35	199.98	100.00	99.35
Mentoring Children of Prisoners Program	9.90	50.00	25.00	25.00
Child Welfare Training (Title IV-B)	7.45	7.47	7.47	7.45
CAPTA Child Protective Services State Grants	21.87	22.01	22.01	22.01
CAPTA Discretionary Grants	33.84	26.30	26.30	26.30
CAPTA Community-Based Family Resource Centers	33.20	33.40	33.40	33.40
Social Services Block Grant (Title XX)	1,700.00 ⁴	1,700.00	1,700.00	1,700.00
Out of Home Care				
Foster Care (Title IV-E) ⁵	4,884.00 ⁴	4,974.00	4,974.00	4,974.00
Adoption				
Adoption Assistance (Title IV-E) ⁵	1,584.00 ⁴	1,699.70	1,699.70	1,699.70
Adoption Opportunities	27.23	27.34	27.34	27.23
Adoption Awareness	12.82	12.91	12.91	12.82
Adoption Incentive Payments	42.72	43.00	43.00	42.72
Child Day Care				
Child Care and Development Block Grant (discretionary)	2,086.90	2,099.00	2,099.00	2,099.00
Child Care and Development Block Grant (mandatory)	2,717.00 ⁴	2,717.00	⁶	⁶
Head Start	6,667.00 ⁴	6,815.57	6,815.57	6,815.57
Early Learning Opportunities Act	33.78	0	0	33.78
Temporary Assistance for Needy Families				
Basic TANF Block Grant	16,500.00 ⁴	16,500.00	⁶	⁶
Supplemental Grants	0	319.00	⁶	⁶
Bonus to Reward Decrease in Illegitimacy	0	0	⁶	⁶
High Performance Bonus	200.00 ⁴	100.00	⁶	⁶
Health Care				
Medicaid ⁵	158,692.00 ⁴	176,754.00	182,753.50	182,753.50
State Children's Health Insurance Program (SCHIP)	4,362.00 ⁴	5,090.00	4,362.00	4,362.00
Children's Mental Health Services	98.00	107.00	108.00	98.00
Mental Health Performance Partnership Block Grant	437.00	433.00	435.00	437.10
Mental Health Programs of Regional & National Significance	244.00	212.00	237.00	237.60
Maternal and Child Health Block Grant (Title V)	730.00	751.00	733.00	731.60
Ryan White Comprehensive AIDS Resources Emergency Act	1,992.90	2,009.00	2,024.00	2,041.60
Healthy Start	98.30	98.70	98.00	98.30

Continued on page 5

1. The final budget agreement for FY 2003 reduced all discretionary programs by 0.65%, except where indicated.
2. As passed by the House of Representatives in H.R. 2660.
3. As passed by the Senate Appropriations Committee in S. 1356.
4. This program is not affected by the FY 2003 across-the-board cut.
5. Because this is an entitlement program, its annual funding is set automatically at the level necessary to fund authorized services for eligible persons. Statutory changes in eligibility or benefit levels, as well as changes in the number of eligible persons participating, affect federal outlays. New proposed legislation, if enacted, would affect this funding significantly.
6. Requires reauthorization. Currently, Congress has extended this funding in three-month intervals.



Funding for Selected Children's Programs (cont.)

(Amounts in Millions of Dollars and Rounded)

	FY 2003 ¹	FY 2004 Administration Request	FY 2004 House ²	FY 2004 Senate ³
Health Care (cont.)				
Individuals with Disabilities Education Act:				
Early Intervention Services	434.00	447.00	447.00	447.00
Birth Defects and Developmental Disabilities Center	98.60	87.00	106.00	110.60
Title X Family Planning	273.30	264.80	273.00	283.30
Abstinence Education	105.00	136.00	115.00	123.00
National Violent Death Reporting System (CDC)	3.00	7	7	4.50
Child Abuse and Neglect Surveillance (CDC)	2.00	7	7	0
Substance Abuse				
Abandoned Infants Assistance Act	12.13	12.09	12.09	12.13
Substance Abuse Performance Partnership Block Grant	1,691.70	1,785.00	1,774.50	1,803.90
Substance Abuse Treatment Programs of Regional & National Significance	317.20	557.00	417.00	327.00
Substance Abuse Prevention Grants	197.10	148.00	198.00	194.30
Housing and Homelessness Assistance				
Family Unification Program	8	8	8	8
Youth Services				
Independent Living (Title IV-E)	140.00 ⁴	140.00	140.00	140.00
Education and Training Vouchers ⁹	41.70	60.00	45.00	41.70
Runaway and Homeless Youth Act/ Transitional Living Program for Homeless Youth	90.00	88.00	88.00	90.00
Maternity Group Homes	0	10.00	0	0
Grants to Reduce the Sexual Abuse and Exploitation of Runaway, Homeless, and Street Youth (Street-Based Services)	15.40	15.00	15.00	15.40
AmeriCorps	429.00	554.00	480.00	¹¹
Juvenile Justice and Delinquency Prevention Act State Formula Grants ¹⁰	83.80	88.80	90.00	¹¹
Special Emphasis Prevention and Treatment Programs	89.30	¹²	¹²	¹²
Youth Gangs	12.00	¹²	¹²	¹²
Juvenile Accountability Incentive Block Grant	190.00	0	100.00	¹¹
Juvenile Justice State Challenge Activities	10.00	¹²	¹²	¹²
Juvenile Mentoring	16.00	¹²	¹²	¹²
Local Delinquency Prevention Grants (Title V) ¹³	46.50	77.30	92.30	¹¹
21st Century Community Learning Centers	1,000.00	600.00	1,000.00	1,000.00
Juvenile Delinquency Prevention Block Grant	¹²	37.90	40.00	¹¹
Department of Education Mentoring Program	17.40	100.00	50.00	28.70

7. Funding is included in the overall appropriations for the Centers for Disease Control and Prevention's Injury Control and Prevention Center.
8. Funds from this program are drawn from the overall appropriations for Section 8 low-income rental assistance.
9. This program was authorized in the Promoting Safe and Stable Families Amendments Act of 2001 (P.L. 107-33). These vouchers, worth up to \$5,000 each, could be used by youth aging out of foster care for education and training.
10. A portion (\$26.4 million) of the state formula grants is reserved for states that have adopted, or will have in effect not later than one year after the date of application, policies and programs that ensure juveniles are subject to accountability-based sanctions for every act for which they are adjudicated delinquent.
11. Senate action expected in September.
12. The newly created Juvenile Delinquency Prevention Block Grant was authorized in the U.S. Department of Justice legislation signed into law November 2, 2002 (P.L. 107-273). It replaces the Special Emphasis Prevention and Treatment Programs, Youth Gangs, Juvenile Justice State Challenge Activities, and Juvenile Mentoring.
13. A portion (\$57.5 million) of the Delinquency Prevention Grants is earmarked for tribal youth programs, a safe schools initiative, the Project Sentry Initiative, and underage drinking programs.

CARE Act, from page 3

The White House supports the CARE Act but opposes the SSBG funding. CWLA strongly supports increased funding for SSBG, which provides a major source of federal funding for child welfare services.

SCHIP Funding Extended to States

In August, Congress passed unanimously H.R. 2854, sponsored by House Energy and Commerce Chair Billy Tauzin (R-LA), to extend the use of \$2.7 billion of unspent SCHIP dollars from fiscal years 1998–2001.

President Bush signed the bill into law (P.L. 108-74) on August 15.

Half of the unspent funds will stay with the states, and the other half will be redistributed to those states that have already spent their allocations. The table on page 7 shows how much each state will receive.

The bill will also allow those states with preexisting Medicaid expansions (up to at least 185% of the federal poverty level) to use 20% of their original SCHIP allocations on these beneficiaries—reimbursing the states for the difference between their Medicaid Federal Medical Assistance Percentage and the enhanced SCHIP rate.

House Approves Head Start Block Grant

On July 24, by a narrow vote of 217–216, the House of Representatives passed H.R. 2210 to block grant the Head Start program. Twelve Republicans joined with all Democratic House members to oppose the bill.

CWLA opposes efforts to allow Head Start funding to be diverted from local providers to states as a block grant.

The bill, which underwent several last-minute changes to obtain additional

votes, would allow the first eight states that apply to receive Head Start funding as a state block grant.

Sponsors claim that states receiving these block grants would have to meet the same Head Start quality standards and maintain current spending on similar preschool efforts.

The actual bill language, however, suggests that states only have to meet the same “general” standards. The bill defines state spending as funds appropriated at the state and local level. Some states however, could count federal funds appropriated by the state in their total of state spending.

Title I of the House bill focuses mainly on reauthorization of the existing Head Start program and would require increased teacher qualifications, an expansion of the role of federally funded state offices that promote collaboration between Head Start and other early childhood education programs. Title II contains the block grant option.

A new issue, which developed late in the House debate, has created additional opposition—a provision that would allow religiously affiliated providers to discriminate in hiring practices. Religiously affiliated providers have run their Head Start programs under the same nondiscrimination laws as nonreligious providers.

Despite passage in the House, the close vote sent a strong signal to the Senate to consider a different approach. The Senate Health, Education, Labor, and Pensions Committee held its first Head Start hearing on July 23. At that hearing, Senator Edward Kennedy (D-MA), the committee’s ranking democratic member, stated his opposition to any bill that included a “50-state block grant, or even a one-state block grant.”

Senator Lamar Alexander (R-TN) also indicated his concerns about the

House proposal. After the House vote, published comments by Committee Chair Gregg Judd (R-NH) made clear his opposition to the House bill and indicated the proposal had virtually no chance of passage in the Senate.

If the Senate passes a reauthorization of Head Start without the block grant, the two bills will have to be negotiated in a House-Senate conference committee.

Senate Holds Children’s Mental Health Hearings

On July 15 and 17, the Senate Committee on Governmental Affairs met to discuss children’s mental health services and custody.

The hearing was in response to a GAO study, commissioned by Senator Susan Collins (R-ME) and Representatives Pete Stark (D-CA) and Patrick Kennedy (D-RI), that found a significant number of parents relinquish custody of their children to the child welfare and juvenile justice systems so the children can receive needed mental health treatment.

These parents can provide healthy homes for their children in every other way, but they cannot provide the mental health treatment the children need. They are often middle-class families who either have no health insurance or have reached the cap of the small amount their insurance allows for mental health treatment. They don’t qualify for Medicaid because of their incomes; and even if they did qualify, many communities have a shortage of mental health treatment resources.

GAO offered several suggestions to stem the tide of voluntary placements, including interagency cooperation to ensure complete coverage. There was

See *Hearings*, page 8



How Much Would Your State Get from the "SCHIP Fix"?

State	FY 1998 Funds	FY 1999 Funds	FY 2000 Funds		FYs 1998–2000 Total Funds
			Redistributed*	Retained	
Alabama	-	-	-	\$24,183,178	\$24,183,178
Alaska	-	\$17,600,457	\$20,231,353	-	\$44,984,399
Arizona	-	-	-	\$27,558,410	\$27,558,410
Arkansas	\$25,507,062	\$19,990,464	-	\$26,973,680	\$72,471,206
California	-	-	-	\$372,576,085	\$372,576,085
Colorado	-	-	-	\$14,652,009	\$14,652,009
Connecticut	-	-	-	\$17,461,755	\$17,461,755
Delaware	-	\$2,182,644	-	\$4,534,352	\$6,716,996
District of Columbia	-	-	-	\$4,891,671	\$4,891,671
Florida	-	-	-	\$13,326,409	\$13,326,409
Georgia	-	-	-	\$32,488,621	\$32,488,621
Hawaii	-	\$2,295,222	-	\$5,036,486	\$7,331,708
Idaho	-	-	-	\$2,754,561	\$2,754,561
Illinois	-	\$20,302,163	-	\$68,987,423	\$89,289,586
Indiana	-	\$105,203,421	-	\$6,510,514	\$111,713,935
Iowa	-	-	-	\$4,237,735	\$4,237,735
Kansas	-	-	\$21,481,440	-	\$21,426,621
Kentucky	-	\$61,956,666	\$71,982,061	-	\$133,755,037
Louisiana	-	-	-	\$35,867,410	\$35,867,410
Maine	-	\$13,196,939	\$14,670,423	-	\$27,829,925
Maryland	-	\$43,263,516	\$114,945,511	-	\$166,546,058
Massachusetts	-	\$67,705,100	\$53,096,780	-	\$120,666,383
Michigan	-	-	-	\$48,409,856	\$48,409,856
Minnesota	-	-	\$16,765,515	-	\$16,722,732
Mississippi	-	-	\$40,863,532	-	\$40,759,253
Missouri	-	-	-	\$28,452,185	\$28,452,185
Montana	-	-	-	\$1,015,196	\$1,015,196
Nebraska	-	-	-	\$4,193,803	\$4,193,803
Nevada	-	-	-	\$10,741,851	\$10,741,851
New Hampshire	-	\$3,667,741	-	\$5,150,356	\$8,818,097
New Jersey	-	-	\$110,931,518	-	\$165,154,293
New Mexico	\$16,032,811	\$26,276,503	-	\$28,305,150	\$70,614,464
New York	-	\$555,696,596	\$414,465,389	-	\$969,104,313
North Carolina	-	\$92,146,880	-	\$5,741,651	\$97,888,531
North Dakota	-	-	-	\$1,884,662	\$1,884,662
Ohio	-	-	-	\$6,043,233	\$6,043,233
Oklahoma	-	\$4,068,212	-	\$38,520,257	\$42,588,469
Oregon	-	-	-	\$21,511,726	\$21,511,726
Pennsylvania	-	-	-	\$15,241,766	\$15,241,766
Rhode Island	-	-	\$25,048,495	-	\$48,714,986
South Carolina	\$44,505,041	\$75,054,518	\$32,649,064	-	\$152,125,306
South Dakota	-	-	-	\$861,867	\$861,867
Tennessee	-	\$24,958,929	-	\$37,246,257	\$62,205,186
Texas	-	-	-	\$124,108,398	\$124,108,398
Utah	-	-	-	\$1,475,686	\$1,475,686
Vermont	-	-	-	\$1,172,250	\$1,172,250
Virginia	-	-	-	\$31,284,962	\$31,284,962
Washington	\$16,168,886	\$19,470,237	-	\$26,271,724	\$61,910,847
West Virginia	-	-	\$18,804,528	-	\$18,756,541
Wisconsin	-	-	\$55,795,545	-	\$55,653,161
Wyoming	-	\$1,406,845	-	\$3,547,064	\$4,953,909
Territories	-	\$769,485	\$23,167,624	-	\$23,937,109
Undistributed Funds**	-	-	\$68,321,420	-	\$68,321,420
Total	\$102,213,800	\$1,157,212,538	\$1,103,220,198	\$1,103,220,198	\$3,557,355,755

Source: Calculations by Families USA, August 7, 2003, based on H.R. 2854 and SCHIP expenditure data from the Centers for Medicare and Medicaid Services (CMS), "SCHIP Federal Allotments and Application of Expenditures: Status at 9/30/02," December 2002. © 2003 Families USA. Reprinted by permission.

*Redistributed by CMS in March 2003. Funds will now be available through the end of FY 2004.

**Funds still to be distributed by CMS.

Hearings, from page 6

also talk of amending HHS guidelines to clarify custody requirements for mental health treatment.

CWLA and other child and mental health organizations have been working with Stark and Kennedy to draft legislation addressing this issue. The bill would provide grants to states to help eliminate the practice of parents relinquishing custody of seriously emotionally disturbed children to state agencies solely for the purpose of securing mental health care for those children.

State plans would be developed through a collaborative process including state and private partners and others designated by the governor. The state would have to have prohibitions in place for relinquishing custody solely for the purpose of accessing mental health care.

The plan would have to establish a system of care to deliver home- and community-based mental health services, inpatient mental health services, and wraparound services of appropriate intensity to eligible children and youth, coordinating services among relevant state agencies—including procedures for referrals by child welfare and juvenile justice systems.

CAPTA Reauthorized

On June 25, the President signed the Keeping Children and Families Safe Act (P.L. 108-36), reauthorizing the Child Abuse Prevention and Treatment Act (CAPTA). The law authorizes funding for CAPTA state and discretionary grants and research through FY 2008, including \$120 million authorized for the 2004 fiscal year.

Congress has never appropriated funding for CAPTA near the authorized level. Current funding for CAPTA state grants is \$22 million; discretionary

grants, used for research and practice, are funded at \$34 million.

The law expands use of CAPTA state grants to include support for ongoing case management; updating technology for reporting; training to promote collaboration with families; improving quality and availability of caseworkers; improvements in supervision, recruitment, and retention of caseworkers; collaboration between agencies to provide prevention and treatment services; referrals to address health and mental health; and collaboration between child protective services (CPS) and the juvenile justice system.

Eligibility for these state grants now includes additional requirements, such as appropriate referrals to CPS to address the needs of newborns suffering from prenatal drug exposure. Although hospitals must notify CPS, the requirement is to allow CPS to develop a plan of “safe care” for the infant; the notification cannot establish a definition under federal law of what constitutes child abuse or require “prosecution for any illegal action.”

States are to report annually to HHS how funds are used alone or in combination with other federal funds to achieve CAPTA’s objectives.

Research activities funded by HHS can include longitudinal research; research on the effects of maltreatment on child development; identification of successful early intervention services; research on “multidisciplinary, coordinated decisionmaking procedures”; a national incidence study to include child maltreatment by reason of family structure, parental living arrangement, family income and size, work status, education attainment, and grandparents as caregivers; evaluation of best practices for improving CPS; and effective

approaches for collaboration between CPS and the juvenile justice system.

The law also reauthorizes the Community-Based Family Resource and Support grants—changing the name to Community-Based Grants for the Prevention of Child Abuse and Neglect—at \$80 million for FY 2003 and such sums as are necessary each year thereafter through FY 2008. This program is currently funded at \$33 million.

Changes to these grants include an updated definition of *children with disabilities* so it conforms to the definition in the Individuals with Disabilities Education Act. It also redefines *family resource and support programs* and *outreach services* as *community-based and prevention focused programs and activities to prevent child abuse and neglect* as follows:

organizations such as family resource programs, family support programs, voluntary home visiting programs, respite care programs, parenting education, mutual support programs, and other community programs or networks of such programs that provide activities that are designed to prevent or respond to child abuse and neglect.

Title II of the law reauthorizes the Adoption Opportunities Act (AOA) at \$40 million. AOA is currently funded at \$27 million. The law makes no changes to this program.

Title III reauthorizes the Abandoned Infants Assistance Act at \$45 million for FY 2004 and such sums as may be necessary through FY 2008. The program is currently funded at \$12 million, with \$13 million requested by the President for FY 2004.

The law expands the definition of *comprehensive services* as comprehensive support services for such infants and young children and their

See CAPTA, page 9



CAPTA, from page 8

families and services to prevent the abandonment of such infants and young children, including foster care services, case management services, family support services, respite and crisis intervention services, counseling services, and group residential home services.

In addition to the evaluation of local programs, the bill provides for a study of the number of abandoned infants and young children, defining them as those

who (1) are infected with, or have been perinatally exposed to, the human immunodeficiency virus, or have a life-threatening illness or other special medical need; or (2) have been perinatally exposed to a dangerous drug.

Runaway and Homeless Youth Act Approved

With bipartisan support, the House approved reauthorization of the Runaway and Homeless Youth Act (RHY, H.R. 1925) on May 20. The Senate Judiciary Committee approved its version, S. 1451) September 25.

This bill, which reauthorizes RHY for five years, gives vital support for community-based initiatives working to reunite runaway and homeless youth with their families or, when that is not possible, provide transitional services to prepare them for adulthood.

The legislation includes two critical

improvements. Young people would be able to remain in a transitional living program beyond the 18-month maximum when they have reached the cap but have not yet reached their 18th birthday; they would be allowed to stay until they turn 18.

The bill also adjusts the formula to determine funding levels between the basic centers program and the transitional living program. Currently, only up to 30% can be used for transitional living; remaining funding has to be used for basic centers. The legislation allows between 45% and 55% to be used for transitional living, better reflecting current community needs.

A new subsection in the bill would authorize maternity group homes. Sometimes referred to as Second Chance Homes, maternity group homes provide a safe, nurturing environment for pregnant and parenting teens who have 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 about child development, family budgeting, health and nutrition, and other parenting skills to promote economic independence and ensure the well-being of their children.

The full Senate is expected to pass RHY reauthorization soon. **CM**

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.

Points of Interest

Kinship Cases Focus of EITC Precertification

In an effort to cut back on fraud under the Earned Income Tax Credit (EITC), the Internal Revenue Service (IRS) is designing a filing system that will focus largely on kin who claim a credit for children. These families will

be required to prove a relationship between the child and the claimant and that the child does indeed live with the claimant.

Married parents and single mothers will be exempt from these requirements. All other kin; foster parents; adoptive parents, pending adoption; and single-parent fathers will have to prove their

relationship with the child and that the child lives with them.

As a result of strong opposition from CWLA and several other organizations, the IRS has modified its initial plans, eliminating a requirement that the tax filer provide a marriage certificate to prove any stepparent

See IRS, page 10

of what is necessary to ensure the safety, permanence, and well-being of the country's most vulnerable children:

- The White House proposal would eliminate any link between the level of federal assistance and the number of eligible children. Under the current entitlement system, the federal government is committed to each eligible child. Under the President's proposal, the federal commitment to children would be reduced and funding capped.
- The White House proposal is cost-neutral and does not offer states additional resources to meet the safety, protection, and permanency goals required under the Child and Family Service Reviews mandated by Congress. The findings of these reviews present a clear picture of what states need to adequately serve our children. They also demonstrate that states need additional federal support to make the improvements required to meet the needs of children and families.
- The White House proposal limits federal funding at a time when most states are reducing funding for child welfare services, including preventive and early intervention services, as they attempt to balance their budgets.
- The White House proposal fails to address the fact that current federal support for the states provides resources for only half of children in out-of-home care—those considered eligible for support in accordance with outdated, irrelevant income standards. The level of funding in the White House proposal fails to address the needs of all children who need support and protection.

- If Congress were to adopt the White House proposal, no new resources would be provided, and the door would likely be shut on further congressional action to make the reforms that are truly necessary to improve the child welfare system.

CWLA is committed to moving forward with the comprehensive reforms necessary to ensure the federal government participates fully with the states to meet our fundamental obligation to America's most vulnerable children and families. CWLA urges Congress to act on comprehensive reform of the system and reject any plan that results in capping existing resources.

Additional materials on "Financing Child Welfare Services" are available online at www.cwla.org/advocacy. See specifically:

Financing Child Welfare Services
www.cwla.org/advocacy/financing.htm

Legislative Alert: Congress to Consider Foster Care Cap (7/2/03)
www.cwla.org/advocacy/alrt030702.htm

Principles of Child Welfare Reform
www.cwla.org/advocacy/financingreformprincipal.htm


Child Welfare Financing Proposals
www.cwla.org/advocacy/financingproposal.htm

Includes a further description of the White House proposal and pending Congressional activity.

CWLA Testimony Submitted to the House Subcommittee on Human Resources of the Committee on Ways and Means for the Hearing on the Bush Administration Foster Care Flexible Funding Proposal, June 11, 2003
www.cwla.org/advocacy/financingtestimony030611.htm


This testimony contains CWLA's call for comprehensive reform and highlights CWLA's concerns with the White House Foster Care Funding Proposal.

Overview of Title IV-E Foster Care Program

www.cwla.org/advocacy/overviewtitleIV-E.htm 

TANF, from page 1


plans for each TANF family. It would also require an assessment of TANF recipients before any sanctioning action against them.

Under this bill, states could engage recipients in "rehabilitative services" designed to address barriers to employment, or in education or training programs. TANF recipients could participate in certain activities designed to address barriers to employment for six months, including disability, substance abuse, or low literacy levels, and to count these activities toward the work rates. After six months, however, such activities only would count if the recipient also participated in standard work activities for 24 hours each week. 

IRS, from page 9

relationship. Another form, however, will be required to prove the child's residency.

The IRS has also changed its plan to send out these precertifications this past summer. Instead, it will wait until December, closer to when tax preparers and others are available to answer tax questions.

The IRS has also decided to start with a smaller sample of 25,000 taxpayers, instead of 40,000, and will await results before making a final decision to expand the entire process to one million people. 

Children 2004



CHILD WELFARE LEAGUE OF AMERICA NATIONAL CONFERENCE

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Washington, DC

You will learn about exciting program developments, share practice information, and have the opportunity to advocate on Capitol Hill with your colleagues for a national agenda that will meet the needs of children, youth, and families today and in the future. You will also find new opportunities for workshops and discussions addressing the critical issues affecting children, families, and those who serve them, and the actions needed to achieve results. This gathering will provide something for everyone—child welfare practitioners, foster parents, child care workers, supervisors, program administrators, CEOs, board members, policymakers, court personnel, juvenile justice professionals, educators, law enforcement professionals, behavioral health care practitioners, legislators and other elected officials, researchers, evaluators, service consumers, and advocates.

Complete registration materials are available online at www.cwla.org/conferences. Or contact CWLA's conference registrar at 202/638-2952 or register@cwla.org.



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... A Public Policy Update

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