



★ WASHINGTON WATCH ★

An update on federal action from

The Center for Public Policy Priorities

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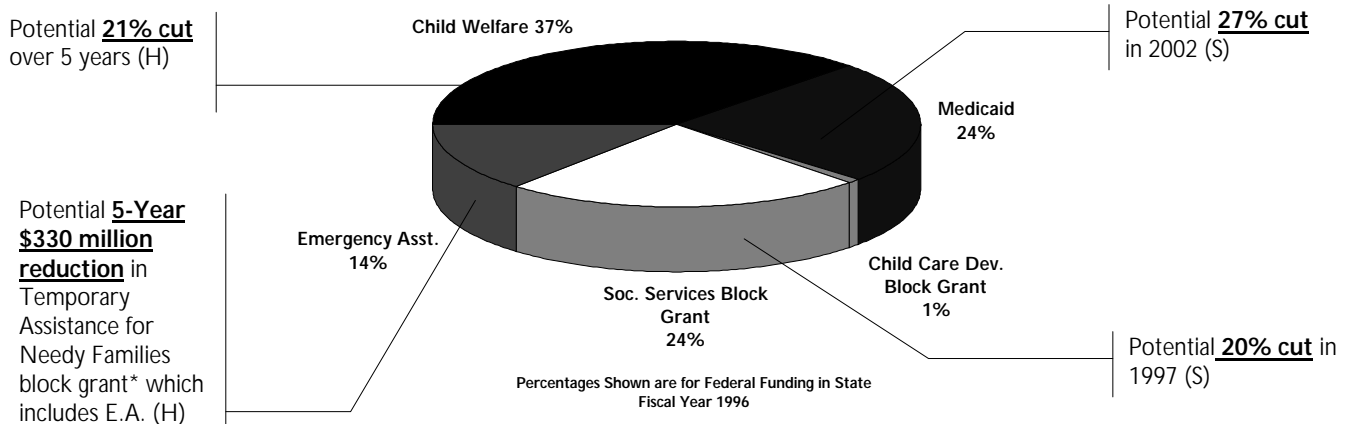
No. 12

PROTECTIVE SERVICES THREATENED ON MANY FRONTS

The Texas Department of Protective and Regulatory Services (DPRS), which operates the state's Child and Adult Protective Services programs, receives funding from many federal sources. Not only does the agency rely upon traditional child welfare (i.e. child protective) funding sources like Title IV-E Foster Care and Title IV-B Child Welfare Services, DPRS also receives substantial federal funding from Title XIX Medicaid, Title XX Social Services Block Grant and Title IV-A Emergency Assistance. In all sixty percent — \$298 million — of DPRS's 1996 operating budget is projected to come from federal funding sources.

Because of the diversity of federal funding sources, there are numerous current Congressional proposals which may affect Texas's protective services for abused and neglected children, the elderly, and persons with disabilities. The House-passed Child Protection Block Grant assuredly would have the most significant programmatic effects on protective services and a serious financial impact. However, Congressional proposals to block grant Medicaid, reform welfare and reduce the Social Services Block Grant would also have substantial financial repercussions. As the pie chart below shows, **all three of the agency's largest federal funding sources face cuts of twenty percent or greater in the approaching years.** The table on page 2 summarizes the Congressional proposals affecting each of the agency's major funding sources.

Potential Impact of House (H) and Senate (S) Proposals on DPRS's Federal Funding Sources



MESSAGE TO TEXAS DELEGATION AND THE PRESIDENT

1. Tell Texas Senators vote NO on cuts to the Social Services Block Grant.
2. Call Texas' Congressman and Senators today and tell them you support the Daschle Medicaid Amendment to reduce Medicaid cuts and preserve Medicaid entitlement.
3. Tell Welfare Reform bill conferees you support the Senate provisions on child protective services. Also remind them that both the House and Senate cash assistance block grants include Emergency Assistance, which funds child protection in your state. They may not be aware that they are reducing funds to child protection with this block grant. (see pg. 3 for a more extensive message).
4. Let President Clinton know you support his veto of the Omnibus Budget Reconciliation Act (OBRA) based on the Medicaid cuts.
5. Let President Clinton know you support his veto of the Welfare Reform bill because of its provisions to block grant child protection programs and the inclusion of Emergency Assistance in the cash assistance block grants.

* This is the block grant which includes AFDC and JOBS. It is also referred to as the cash assistance, AFDC or welfare block grant.

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Summary of Congressional Proposals Affecting DPRS			
Federal Funding Source	Budgeted 1996 ¹	House	Senate
<u>Child Welfare Programs</u> Family Preservation and Support Services Child Welfare Services/ State Grants Foster Care-Title IV-E Adoption Assistance Independent Living (Title IV-B, IV-E)	\$14,932,220 \$23,796,313 \$53,958,189 \$17,287,304 \$1,640,399 <u>\$111,614,425</u>	The House Welfare Reform bill (H.R.4): <ul style="list-style-type: none"> • Combines most federal child welfare programs into a Child Protection Block Grant (see pg. 3). • <u>Would reduce funding to Texas by \$227 million over 5 years--a 21% cut².</u> 	The Senate Welfare Reform bill (H.R.4): <ul style="list-style-type: none"> • Maintains current foster care and child welfare programs. • Reauthorizes the Child Abuse and Prevention Treatment Act (CAPTA). The Senate's budget reconciliation bill: <ul style="list-style-type: none"> • Limits a state's cost for administering the foster care program to 10% growth a year.
<u>Medicaid</u> (Title XIX)	\$72,243,874	<ul style="list-style-type: none"> • Provides a Medicaid block grant to states. • Eliminates federal guarantees to Medicaid for all current program participants (e.g. low-income children, elderly, pregnant women and people with disabilities). • <u>Would result in the loss of \$6.6 billion to Texas over 7 years. In 2002, federal Medicaid funding to Texas would be reduced by 20%³.</u> 	<ul style="list-style-type: none"> • Provides a Medicaid block grant to states. • Maintains federal entitlement to Medicaid coverage for poor pregnant women, poor children under the age of 12, and select (yet-to-be defined) groups of persons with disabilities, but still eliminates federal guarantees to Medicaid for many current program participants. • <u>Would result in the loss of \$11.8 billion to Texas over 7 years. In 2002, federal Medicaid funding to Texas would be reduced by 27%.⁴</u>
<u>Social Services Block Grant</u> (Title XX)	\$71,382,429	<ul style="list-style-type: none"> • Current allocation to the Social Services Block Grant is maintained . • <u>Funding would remain roughly equal to current levels.</u> 	The Senate's budget reconciliation bill: <ul style="list-style-type: none"> • Cuts the 1997 SSBG allocation by 20% (Appropriations committee authorizes a 10% cut.) • <u>Probable 20% cut to Texas.</u>
<u>Emergency Assistance/ Family Support Payments to States - Grants</u> (Title IV-A, E.A.)	\$40,476,326	The House Welfare Reform bill (H.R.4): <ul style="list-style-type: none"> • Includes Emergency Assistance in the Temporary Assistance for Needy Families block grant which includes AFDC, job training, child care. • <u>Would result in a \$330 million cut to Texas over 5 years.⁵</u> <i>(Note: \$330 million cut to all programs in block grant, not just E.A.)</i> 	The Senate Welfare Reform bill (H.R.4): <ul style="list-style-type: none"> • Includes Emergency Assistance in the Temporary Assistance for Needy Families with Minor Children which includes AFDC and job training. • In addition to the funding distributed to states by the block grant formula there is 5-year \$800 million allocation to be distributed among states with significant E.A. plan amendments in 1994. (Texas is such a state.)
<u>State Payments/Day Care/Child Care Development Block Grant</u> (CCDBG)	\$2,785,999	<ul style="list-style-type: none"> • Adds numerous child care programs to the CCDBG. • Eliminates most federal health and safety requirements. • <u>Would result in a \$136 million reduction to Texas over 5 years.⁶</u> 	<ul style="list-style-type: none"> • Retains the CCDBG. • <u>Adds \$1 billion per year nationally.</u>
Federal Funds Total	<u>\$298,503,053</u>		

Note: Reductions noted above represent losses under current law.

¹Texas Department of Protective and Regulatory Services. Federal Funds by CFDA, Conference Committee ABEST II Report Compared to Operating Plan

²Child Welfare League of America.

³Center on Budget and Policy Priorities. State-by-State Effects of Federal Medicaid Cuts: A Comparison of Congressional Plans. Sept. 28, 1995. The Texas Comptroller estimates a \$4.9 billion 7-year loss to Texas and a 19% loss in 2002.

⁴Ibid. The Texas Comptroller estimates a \$7.7 billion 7-year loss to Texas and a 23% loss in 2002.

⁵U.S. Department of Health and Human Services. H.R. 4. The Personal Responsibility Act of 1995 Preliminary Impacts, Summary and State-by-State Analysis. April 7, 1995

⁶Ibid.

SUMMARY OF THE HOUSE-PASSED CHILD PROTECTION BLOCK GRANT

<u>PROVISION</u>	
CHILD PROTECTION BLOCK GRANT	The Child Protection Block Grant would consolidate the Title IV-E Foster Care and Adoption Assistance Program, Family Preservation and Support and Independent Living, and several discretionary programs related to child abuse and neglect (Title IV-B Child Welfare Services Program, etc.) into a block grant.
PURPOSE	The bill's stated purposes are: identifying and assisting families at risk of abusing or neglecting their children; receiving reports; investigating families; providing support to families and children; making timely decisions about a child's permanent living arrangement; and evaluating and improving child protection laws. <u>However, states would NOT be obligated to carry out these purposes.</u>
LIMITATION ON FEDERAL AUTHORITY	The Secretary of U.S. Department of Health and Human Services would be <u>prohibited</u> from regulating the conduct of states or reviewing the adequacy of state procedures.
FUNDING	Funds for this block grant include two components: 1) a capped entitlement to states and 2) a discretionary portion subject to annual appropriation. The US Department of Health and Human Services estimates a \$3.5 billion loss over 5 years nationally and a \$221 million loss to Texas over 5 years.
MAINTENANCE OF EFFORT	During FY 96 and 97, states could not reduce their non-federal spending on child protection and child welfare programs below the amount spent in FY 1995. After FY 1997, states would be allowed to reduce or eliminate their state funding level for child protection and child welfare services.
CHILD PROTECTION STANDARDS	The legislation would repeal the great majority of current protections for foster children, such as: detailed written case plans for each child in foster care, a ban on jailing or confining abused children, providing medical and educational information to foster parents, etc. The Child Protection Block Grant stipulates that each state must operate a child protection program with the following standards: protecting children, investigating reports of abuse and neglect promptly, developing permanency plans for children removed from their homes and holding disposition hearings within 3 months of a fact-find hearing, and reviewing out-of-home placements every 7 months unless the child is already in a long term placement. <u>However, NONE of the provisions would be federally enforceable.</u>
TRANSFER OF FUNDS	Beginning in FY 1998, thirty percent of the block grant funds could be diverted to other block grants, such as: the Social Services Block Grant; Grants for Temporary Assistance for Needy Families; and the Child Care and Development Block Grant.
CITIZEN REVIEW PANELS	This bill would replace federal oversight with mandated citizen review panels in each state that would oversee and report on state efforts. <u>However, the review panels have NO enforcement powers.</u>

MESSAGE TO TEXAS WELFARE BILL CONFEREES

The Child Protection Block Grant is included in the House Welfare Reform Bill (H.R.4), but not in the Senate version; therefore, the House's child protection provisions will be discussed in the Conference Committee. Conference Committee deliberations began this week. **Calls to Texas House members should be made quickly.** **Your Message:**

1. Accept the Senate position, reject the House position on the child protection provisions. Do not include a child protection block grant in any final welfare bill.
2. Preserve the federal guarantee of adoption and foster care assistance for abused and neglected children.
3. Preserve critical federal protections for abused and neglected children.
4. Reject the inclusion of Emergency Assistance funding in the any cash assistance block grant. Tell conferees Texas uses this funding for child protection services. They may not be aware they are reducing funds to child protection with the cash assistance block grant.

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