
Summary Report of the 1st Session of the 109th Congress

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Federal Budget Battle Continues into the New Year

Congress adjourned for 2005 without completing action on their FY 2006 budget reconciliation bills to cut both federal spending and taxes. The budget cut debate was divisive and heated, with the House and Senate taking different courses of action. After tense negotiations, Congressional leaders agreed to a compromise package consisting of \$40 billion in cuts over 5 years. The budget agreement includes cuts to Medicaid, foster care, and child support enforcement. In addition, the agreement includes stricter TANF requirements for states to fulfill, but inadequate TANF and child care funding to support the new rules (see page 5 for TANF details).

Budget Reconciliation Background

In May of 2005, Congress passed a FY 2006 budget resolution that included instructions to cut federal funding for entitlement programs, such as Medicaid and food stamps, by \$35 billion over 5 years. In addition, Congress was instructed to cut taxes by \$70 billion over 5 years. The cuts were to take place in September through "reconciliation," a process that limits amendments and debate on legislation, and protects legislation from a filibuster in the Senate. However, following Hurricane Katrina, two camps emerged: those who believed that the vulnerabilities of the federal safety net exposed by the hurricane should lead Congress to either reduce the cuts, or forgo them entirely; and those who believed that the budget cuts should be even higher to offset hurricane relief and reconstruction efforts.

The House passed the cuts on December 19th by a vote of 212-206 (see how your Representative voted at <http://clerk.house.gov/evs/2005/roll670.xml>). Two days later, the Senate passed the budget cuts by a vote of 51 to 50. Vice President Cheney was brought in to cast the tie-breaking vote. Senators Smith (R-OR), Snowe (R-ME), Collins (R-ME), Chafee (R-RI), and DeWine (R-OH) joined all of the Senate Democrats in voting against the bill.

The broader human services community was united in opposing these budget cuts. PCA America, its state chapters, Healthy Families America, and others in our network participated in multiple national call-in and e-mail campaigns. Groups are now mobilizing to once again build opposition to the final budget vote in the House.



Take Action: House Vote Scheduled for February 1st

Senator Conrad (D-ND) successfully stripped three provisions from the budget agreement, arguing that they violate a Senate rule prohibiting provisions with only an incidental budget impact from being included in the budget reconciliation. Because the Senate-passed bill now varies from the House-passed bill, the House will have to vote once again on the budget agreement. That vote is scheduled for February 1, 2006. This could be our last chance to stop these budget cuts. Please call and e-mail your Representatives one more time and ask them to **Vote NO on the budget reconciliation bill**.

Every call to Congress will matter! You can contact your Representatives through the Capitol Switchboard at 202-224-3121. In addition, you can send e-mails to your members of Congress through PCA America's Legislative Action Center (<http://capwiz.com/pca/home/>). A sample message is posted on the site, which we encourage you to personalize. Below is a summary of cuts we are concerned about that are included in the final budget package.

Summary of Budget Cuts Over 5 Years

\$600 million cut to assistance for abused and neglected children in foster care:

- Requires a child's eligibility for federal foster care assistance to be based on the financial circumstances of their parents when they were living with them, instead of basing it on the circumstances of the home of a relative in which the child has been placed (which is allowed in certain western states under the Rosales decision).
- Limits federal assistance for children who are at imminent risk of entering foster care and for certain children already being raised by relatives.

\$6.9 billion cut to Medicaid:¹

- Limits the ability for states to use Medicaid targeted case management (TCM) services for children in foster care.
- Allows states to charge people with incomes between 100% and 150% of the poverty line co-payments of up to 10% of the cost of the medical service.
- Allows states to charge co-payments of up to 20% of the cost of the medical service and some prescription drugs for people living above 150% of the poverty line, plus unlimited premiums to participate in Medicaid.
- State could allow providers to deny medications and services to beneficiaries who are unable to afford the co-payments.
- Allows states to scale back some of the services for children provided through the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program.

\$1.5 billion cut in Child Support enforcement:

- Children could be deprived of \$2.9 billion over 5 years/\$8.4 billion over 10 years in child support not collected because of cuts in enforcement. Child support payments lifted 1 million children out of poverty in 2002.

Action for 2006: PCA America will continue to urge opposition to the budget reconciliation bill as it is reconsidered by the House. The final House vote on the budget cuts will take place only days before the President delivers his FY 2007 budget request to Congress. PCA America will analyze the President's budget and issue calls to action on items that relate to our legislative priorities.

¹ The Center on Budget and Policy Priorities estimates that the Medicaid cuts are closer \$11 billion over five years. A comprehensive analysis of the Medicaid cuts is available online at: <http://www.cbpp.org/12-20-05bud.htm>.



Congress Completes FY 2006 Appropriations, and it isn't Pretty

On December 30, President Bush signed into law the last two FY 2006 appropriations bills: Defense; and Labor, Health and Human Services, Education (Labor-HHS). Both bills gave human services advocates much to jeer and little to cheer. Appropriators attached to the Defense bill a 1% across-the-board cut to discretionary programs, excluding Veterans Affairs programs. But even without the across-the-board cut, funding for most programs prevention advocates care about was either level-funded or cut.

CAPTA: State grants under the Child Abuse Prevention and Treatment Act (CAPTA) help states improve child protective services. Community-based grants help states develop and implement effective approaches to prevention. Despite a 30% increase to CAPTA for FY 2005, the need for funds remains great. For FY 2006, Congress level-funded the state and community grants and cut the research and development grant by \$5.5 million. The column labeled "Conference Final" in the following table provides the appropriated spending levels for CAPTA state, community-based, and discretionary grants for the 2006 fiscal year.

FY 2006 FUNDING AMOUNTS (IN MILLIONS) FOR CAPTA PROGRAMS (NOT COUNTING ACROSS-THE-BOARD CUT)

CAPTA PROGRAMS	FY2005 ACTUAL	FY06 PRESIDENT'S REQUEST	FY06 HOUSE	FY06 SENATE	CONFERENCE FINAL	+/- FY05
State Grants	\$27.3	\$27.3	\$27.3	\$27.3	\$27.3	+/- 0
Community-Based Grants	\$42.9	\$42.9	\$42.9	\$42.9	\$42.9	+/- 0
Discretionary R & D	\$31.6	\$31.6	\$31.6	\$31.6	\$26.1	- 5.5
TOTAL	\$101.8	\$101.8	\$101.8	\$101.8	\$96.3	- 5.5

PSSF: Otherwise known as title IV-B (2) of the Social Security Act, Promoting Safe and Stable Families (PSSF) grants help states pay for family support, family preservation, family reunification, and adoption support. States are expected to spend 20% of their allotment on each service category. Prevention efforts in some states are paid for using PSSF family support dollars. In a surprise move, the previously discussed budget reconciliation conference agreement provides a \$40 million one-year increase for PSSF mandatory funding. As that has not yet been signed into law, the chart below reflects current funding levels for FY 2006 as provided through the Labor-HHS appropriations bill.

FY 2006 FUNDING AMOUNTS (IN MILLIONS) FOR PSSF PROGRAMS (NOT COUNTING ACROSS-THE-BOARD CUT)

PSSF PROGRAMS	FY2005 ACTUAL	FY06 PRESIDENT'S REQUEST	FY06 HOUSE	FY06 SENATE	CONFERENCE FINAL	+/- FY05
Mandatory Funding	\$305	\$305	\$305	\$305	\$305	+/- 0



Discretionary Funding	\$98.6	\$105	\$99	\$90	\$90	- 8.6
TOTAL	\$403.6	\$410	\$404	\$395	\$395	- 8.6

FY 2006 Funding for Other Children and Family Service Programs:

Compassion Capital Fund: CCF gets a \$10 million increase for FY 2006, one of the few increases to be had in the Labor-HHS bill, bringing the fund up to \$65 million.

SSBG: The Social Services Block Grant (SSBG) was once again level funded at \$1.7 billion. States use SSBG to pay for a range of social services, including child welfare initiatives.

Early Childhood: The President's FY 2006 budget request eliminated funding for three early childhood programs: Even Start; Parent Information Resource Centers (PIRCs); and the Early Learning Fund. While Congress eliminated funding for the Early Learning Fund, they continued funding for the other two programs, though at lower levels. Even Start funding for FY 2006 is \$100 million, a cut of \$125 million from FY 2005. PIRC's are funded at \$40 million, a \$2 million cut.

Action for 2006: PCA America will continue to press for a more substantial federal investment in child abuse prevention through increased appropriations for CAPTA and PSSF.

Home Visiting Legislation a Top Priority for PCA America

In 2005, legislation was introduced in both the House and the Senate that would extend to a broad range of families the opportunity to benefit from Healthy Families America and other quality home visitation programs. *The Education Begins at Home Act (EBAH)*, introduced in the Senate (S. 503) by Senators Bond (R-MO), Talent (R-MO) and DeWine (R-OH), and in the House (H.R. 3628) by Representatives Davis (D-IL-7), Osborne (R-NE-3) and Platts (R-PA-19), would provide \$500 million over three years to help states establish or expand quality home visitation programs. Of the \$500 million authorized in EBAH, \$400 million would be provided to states on a formula basis to expand and enhance home visiting programs, while the remaining \$100 million would be divided between two competitive grants to reach military families and families with English Language Learners.

EBAH was referred to the Senate Health, Education, Labor, and Pensions (HELP) Committee, and to the House Education Reform Subcommittee of the Education and Workforce Committee, and the House Armed Services Committee.

H.R. 3628 Cosponsors (as of 1/9/06)

Rep. Barrow (D-GA-12)**
 Rep. Bonner (R-AL-1)
 Rep. Boswell (D-IA-3)
 Rep. Davis (D-IL-7)*
 Rep. Grijalva (D-AZ-7)*
 Rep. Kuhl (R-NY-29)*
 Rep. Lewis (D-GA-5)
 Rep. McDermott (D-WA-7)
 Rep. McNulty (D-NY-21)
 Rep. Michaud (D-ME-2)
 Rep. Moran (D-VA-8)
 Rep. Osborne (R-NE-3)*
 Rep. Platts (R-PA-19)*

S. 503 Cosponsors (as of 1/9/06)

Sen. Bond (R-MO)
 Sen. Clinton (D-NY)*
 Sen. Corzine (D-NJ)
 Sen. DeWine (R-OH)*
 Sen. Durbin (D-IL)
 Sen. Landrieu (D-LA)
 Sen. Lautenberg (D-NJ)
 Sen. Rockefeller (D-WV)
 Sen. Snowe (R-ME)
 Sen. Talent (R-MO)



*Sits on HELP or Education Reform

** Sits on Education and the Workforce full committee

Action for 2006: PCA America and our partners will continue to press for additional cosponsors for the bill and will work with our congressional champions to push for a congressional hearing or briefing on home visitation.

TANF and Child Care Reauthorization Included in Budget Reconciliation

The Temporary Assistance for Needy Families (TANF) and Child Care Development Fund (CCDF) programs have been up for reauthorization and operating under extensions since 2002. Action was stalled on the House and Senate reauthorization bills (H.R. 240 and S. 667), until Congressional leadership attached a modified version to the budget reconciliation bill. Congress did not increase work hour requirements for TANF recipients, one of PCA America's concerns with previous reauthorization bills. They did, however, make a number of significant changes to work participation requirements for states that appear to be equally damaging.

Summary of Changes to TANF Included in Budget Reconciliation:

Work Participation Rate Changes. The budget bill maintains the current 50% work participation rate for states, but makes the caseload reduction credit allowable only for reductions since FY 2005. While caseloads have dropped dramatically since 1996, caseloads for most states have not dropped since FY 2005 and in some states are actually on the rise. This means that most states will no longer be eligible for a credit unless they either: 1) engage an estimated additional 236,000 recipients nationally in work to avoid penalties;² or 2) reduce their caseloads by sanctioning families off the program.

The bill also instructs the Secretary of the U.S. Department of Health and Human Services to issue regulations to provide more consistency in how states measure work participations. The regulations must address:

- Determining whether an activity of a TANF recipient counts as work;
- Uniform methods for reporting hours of work by a recipient;
- The type of documentation needed to verify reported hours; and
- The circumstances for including parents of child TANF recipients in the work participation rates.

Finally, and significantly, the conference report imposes these new work participation requirements and regulations on state-funded TANF programs. Under current law, states enjoy quite a bit of flexibility with how they use their state TANF dollars allowing them to support a range of services, including child welfare services and child abuse prevention initiatives. This change could restrict states' flexibility to do this, and likely force them to direct more TANF dollars towards work activities at the expense of other critical services.

Explanation of the TANF Work Participation Rate

² Congressional Research Service Memorandum, *TANF Work Participation Standards: Revising the Caseload Reduction Credit*, December 19, 2005.



Current TANF law requires that 50% of a state's TANF recipients are engaged in qualified work activities. The penalty to states for not meeting the mandated participation rate is a reduction in their federal TANF funding. However, the 50% participation rate is reduced in direct proportion to reductions in a state's TANF caseload since FY 1995 (referred to as a caseload reduction credit). Because of the dramatic decline in caseloads since FY 1995, the actual national work participation rate in FY 2003 would have been 30% under the budget bill rules.³

Child Care Funding. The Congressional Budget Office estimates that it will cost *\$8.4 billion* in new funding for states to pay for the new TANF reauthorization requirements, and *\$12 billion* in new funding to cover costs associated with the new requirements while maintaining current child care support for low-income families that are not on TANF. But the budget bill does not provide any new funding for TANF, and increases mandatory child care funding by just \$1 billion over 5 years. Because of the new work rate and inadequate child care funding, an estimated 255,000 fewer children would receive child care in 2010 compared to 2004.⁴

Healthy Marriage Promotion and Responsible Fatherhood. The TANF reauthorization section of the conference report provides \$150 million per year for 5 years in competitive grants to develop and implement healthy marriage promotion and responsible fatherhood programs. No more than \$50 million per year of that allocation may be used for fatherhood initiatives.

Implications of TANF Changes for Child Abuse Prevention

In many states, TANF dollars pay for child abuse prevention services in addition to cash assistance, child welfare services, and child care. But inflation is eroding the value of the TANF and child care block grants, and competition among program dollars is increasing. For example, states needing more funds for child care could in fact shift funds by reducing TANF spending for other services. Add to this diminished flexibility that will occur if the stricter work requirements are enacted, and the sustainability of prevention programs is jeopardized.

Action for 2006: PCA America will continue to oppose the TANF provisions included in the budget reconciliation bill and will advocate for increased child care funding.

PCA America Endorses Child Welfare Financing Bills

The White House proposal to give state the option of receiving title IV-E funds as a block grant has yet to gain traction in the 109th Congress. There were rumors that Congress would include the block grant option in the budget reconciliation bill. In the end, however, Congress opted not to pursue this course of action. PCA America endorsed three child welfare financing bills introduced in the 1st Session of the 109th Congress.

The Leave No Abused or Neglected Child Behind Act (H.R. 3576)

³ Congressional Research Service Memorandum, *TANF Work Participation Standards: Revising the Caseload Reduction Credit*, December 19, 2005.

⁴ Center on Budget and Policy Priorities, *Assessing the Effects of the Budget Conference Agreement on Low-Income Families and Individuals*, Revised January 9, 2006.



Representative Jim McDermott (D-WA-7) introduced *the Leave No Abused or Neglected Child Behind Act* (H.R. 3576) in July. This is a comprehensive child welfare financing bill which would: 1) create a new Child and Family Service program option whereby states could use title IV-E dollars for services (services cannot currently be paid for using title IV-E funds); 2) expand eligibility for foster care and adoption assistance by eliminating certain income eligibility requirements linked to AFDC standards, and authorizing tribal nations to receive federal funds; and 3) allow states to use IV-E funds to support kinship guardianship placements.

**Guardianship Assistance Promotion and Kinship Support Act (H.R. 3380)
Kinship Caregiver Support Act (S. 985)**

Representative Danny Davis (D-IL-7) introduced the *Guardianship Assistance Promotion and Kinship Support Act* (H.R. 3380), which would allow states to use title IV-E funds to pay for kinship and guardianship placements. Currently, only states with waivers can use federal funds to support these arrangements. PCA America endorsed H.R. 3380 as well as the Senate companion bill, the *Kinship Caregiver Support Act* (S. 985) introduced by Senators Clinton (D-NY) and Snowe (R-ME).

Action for 2006: PCA America will continue to evaluate child welfare financing proposals with the dual policy objectives of securing adequate, guaranteed funding for front-end, prevention services and ensuring an effective approach to child welfare that is comprehensive and provides for a full continuum of care.

Additional Legislation Endorsed by PCA America in 2005

Violence Against Women Act of 2005 (H.R. 2876 and S. 1197)

The Violence Against Women Act (VAWA) of 1994 was the first federal law to systematically address violence against women. The law sought to improve criminal justice and community-based responses to domestic violence, dating violence, sexual assault and stalking in the United States. Congress reauthorized VAWA this year, adding violence prevention as a new priority of the Act. Congress provided \$39 million a year to be put towards violence prevention, some of which has been directed towards home visiting programs (see below). VAWA reauthorization recently passed as part of the U.S. Department of Justice's reauthorization bill (H.R. 3402).

Violence Prevention Provisions:

1. \$20 million a year in competitive grants to assist children and youth exposed to violence, and to prevent future victimization or perpetration.
2. \$7 million a year to implement model policies and procedure to train home visitation service providers on addressing domestic violence, dating violence, sexual assault, and stalking in families experiencing violence, or at risk of violence.
3. \$10 million a year to develop or enhance programs related to engaging men and youth in preventing violence by helping them to develop mutually respectful, nonviolent relationships.
4. \$2 million a year to the CDC to support research to examine prevention and intervention programs to further the understanding of sexual and domestic violence by and against adults, youth, and children.

Combat Methamphetamine Act (S. 103 and H.R. 314)

The *Combat Meth Act of 2005* (S. 103 and H.R. 314), introduced by Senator Jim Talent (R-MO) and Representative Roy Blunt (R-MO-7), would – among other provisions – support state Drug Endangered Children (DEC) programs. These collaborative efforts combine resources from law enforcement, public health, and social services in an attempt to meet the needs of children who are



affected by clandestine labs. It would also establish funds to provide specialized training to both law enforcement officials and attorneys who deal with methamphetamine offenses. Additionally, it would reclassify pseudoephedrine, making it more difficult for individuals to purchase mass quantities of the drug, a major component in the manufacture of methamphetamine.

Congressional sponsors attached the Combat Meth Act to the conference report reauthorizing the USA Patriot Act (H.R. 3199). The House passed the conference report in December, but Senate leadership was unable to garner enough support for the bill. The USA Patriot Act is operating under an extension that expires February 3, 2006 while congressional leaders and the White House continue negotiations.

Anti-bullying Act (H.R. 284)

The *Anti-bullying Act* (H.R. 284), introduced by Representative John Shimkus (R-IL-19), amends the Safe and Drug-Free Schools and Communities Act to specifically address the growing and widespread problem of bullying and harassment. H.R. 284 requires states, districts and schools to develop policies and programs to prevent and appropriately respond to instances of bullying and harassment, as part of their existing violence prevention obligations and as a condition of federal funding.

Register Now for PCA America's 2006 National Conference

Registration is now open for the Prevent Child Abuse America National Conference ***"America's Families: We All Play a Supporting Role"*** which will take place May 21-24, 2006 at the Town & Country Resort and Convention Center in San Diego, California.

This is the **only** national conference that focuses on the **prevention** of child maltreatment and that will bring together professionals and volunteers in the fields of family support, child abuse prevention, home visiting, early childhood care, education, nursing and others in addition to the many members of the Prevent Child Abuse America state networks. **Register before March 31st to receive the earlybird rate of \$310 per person;** the regular registration rate of \$375 will apply for registrations received between April 1st and May 5th.

Register online at: <http://www.preventchildabuse.org/ConferenceEvents/conference.html>.

Prevent Child Abuse America has Moved!

Please note that PCA America's offices have moved. Our new address as of January 5, 2006 is:

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