



## **THE PRESIDENT'S FY 2008 BUDGET AND CHILDREN**

The President's proposed budget for fiscal year 2008 (FY 2008) is released in the midst of the 110<sup>th</sup> Congress completing action on the FY 2007 budget. The Congress is now completing action on a continuing resolution (H.J. Res. 20) that will fund most domestic programs at a level equal to FY 2006. This document assumes Congress approves this continuing resolution.

The President's budget for FY 2008 projects that a balanced federal budget will be reached within five years. That assumption is based in part on a FY 2008 budget that holds domestic spending in check outside of the Department of Defense, Department of Homeland Security and funding for the war in Iraq. The Administration also anticipates a renewal of all of the President's past tax cuts throughout the next five years.

Outside of Defense, the war and Homeland Security, spending is increased by one percent for other non-entitlement programs. This budget includes a Defense budget of more than \$481 billion, an additional \$100 billion for the war for this fiscal year (FY 2007), and an additional \$145 billion for the war for FY 2008, making the total spending request for defense and the war nearly three-quarters of a trillion dollars. In context, the entire budget for the federal government including Social Security and the Defense budget twenty-five years ago (1982) totaled just over the amount requested for Defense and the war in this budget.

The President's budget includes a reauthorization of the State Children's Health Insurance Program (SCHIP) but proposes a reduction of \$223 million in FY 2008. In regard to the SCHIP reauthorization, the President requests a \$5 billion increase over the next five years. If enacted at this level, it would provide less than half of what it would take to maintain current coverage of children. The budget also calls for cuts of \$101 billion in Medicare and Medicaid over five years. More than \$25 billion of that total is from Medicaid, with \$13 billion coming from proposed cuts and an additional \$12 billion coming from changes in regulations that the President argues can be carried out without congressional approval. The Medicaid reductions anticipate restrictions in states' use of Targeted Case Management (TCM) and rehabilitative services in providing care to children in the child welfare system.

The Administration once again calls for the optional child welfare block grant of Title IV-E foster care and adoption assistance funding and a half billion cut in the Social Services Block Grant (SSBG)—reducing that funding from \$1.7 to \$1.2 billion.

In addition, the Administration would eliminate funding for the Office of Juvenile Justice and Delinquency Prevention and all other dedicated funding for juvenile justice programs. These funds would be transferred, at a reduced amount, to a newly created block grant, The Child

Safety and Juvenile Justice Program. Unlike the current system, where states are funded under a formula based on the number of youth who live there, states would be required to apply for grants, and face the uncertainty of continued funding and the possibility that funds would be denied entirely.

All of these proposals are opposed by CWLA.

The next steps for Congress while action is completed on FY 2007, is a series of hearings by the two Budget Committees and various committees of jurisdiction. The House of Representatives which generally acts first on appropriations issues will likely adopt their budget resolution before the Senate. This resolution will outline the limitations and areas of priority spending. The House leadership has indicated their desire to pass a House budget resolution by March 15. It is likely that many of the President's proposed budget actions will not be accepted under the new congressional leadership.

## **CHILD WELFARE**

### **Title IV-E Foster Care**

The Administration's budget projects that Title IV-E Foster Care spending will be \$4.581 billion. This is an anticipated increase of \$106 million in Title IV-E claims from the FY 2007 level. Title IV-E is an entitlement program and funding automatically increases as costs for eligible children increase (so both of these figures can increase or decrease accordingly).

Title IV-E Foster Care funds are used for maintenance payments and administrative costs. For FY 2008, the Administration projects approximately 211,000 children will be eligible for Title IV-E in an average month. This figure represents a decrease from last year's projection of 231,000. In addition to maintenance and administrative costs, states use these funds for training and for the operation and development of the Statewide Automated Child Welfare Information Systems (SACWIS), a computer-based data and information collection system.

### **Title IV-E Adoption Assistance**

Federal Title IV-E Adoption Assistance spending is projected to increase to \$2.156 billion, an increase of \$136 million over 2007 costs. Similar to foster care, these figures represent a projection. These funds will be used to provide maintenance payments to adoptive families, administrative payments for the costs associated with placing a child in an adoptive home, and training professionals and adoptive parents. The estimated level of funding will support approximately 426,000 children each month. As stated previously, Title IV-E is an entitlement program and funding automatically increases as costs for eligible children go up.

### **Social Services Block Grant (Title XX)**

The President proposes to reduce funding for the Social Services Block Grant (SSBG) by \$500 million. SSBG is a flexible source of funds that allows states to provide an array of services. Since 2000, funding for SSBG has been maintained at \$1.7 billion. Last year, Congress rejected an identical proposal. In that proposal, however, the Administration had promoted this as a one-

year reduction. This time, in contrast, the President proposes to reduce the SSBG total to \$1.2 billion for FY 2008 and beyond. The Administration justifies this cut because this block grant offers “flexibility” but “it fails to ensure that funds are directed towards activities that achieve results.”

SSBG represents 12% of all federal funding states receive from the federal government to provide child abuse prevention, adoption, foster care, child protection, independent and transitional living, and residential services for children and youth.

States can use SSBG to fund 29 different services to prevent or remedy neglect or abuse of children or adults, achieve or maintain economic self-support, reduce unnecessary institutionalization, achieve or maintain independence, and secure referral and screening for appropriate institutional care.

In FY 2004, the latest data available for SSBG, states spent over \$660 million in SSBG funds on services to children and youth, including adoption, foster care, child protection, independent living, and residential services:

- 29 states used \$29 million in SSBG funds to assist in the adoption of children.
- 37 states used nearly \$332 million in SSBG funds for foster care services to more than 542,038 children. That year, 509,000 children were in foster care on September 30.
- 38 states used more than \$194 million in SSBG funds to protect children from abuse and neglect. In 2004, state and local child protective service agencies received an estimated 3 million reports of child abuse and neglect.
- 17 states used \$8 million in SSBG funds to provide independent and transitional living services to more than 18,000 youth.
- 23 states used \$83 million in SSBG funds supported residential treatment to more than 31,000 youth.
- 15 states used \$13 million in SSBG funds to help more than 162,239 youth at risk.

In addition to child welfare services, SSBG funds are used to provide child care, home delivered and congregate meals for senior citizens, family planning services, services to the disabled and domestic violence outside of child protective services; residential treatment services; substance abuse treatment, education and training, transportation services; information and referral and a range of home-based services.

## **CHILD WELFARE FINANCING**

### **Child Welfare Program Option**

The President's FY 2008 budget again proposes a child welfare financing option that would restructure the current Title IV-E Foster Care program. Under the 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 rather than the current open-ended entitlement funding provided based on the number of eligible children.

This proposal was included in each of the President's Budget proposals for fiscal years 2004-2007, and now again for 2008, but has yet to be introduced into legislation. The budget documents offer the same overview of the proposal as in past years. To date, legislative proposals implementing this change have yet to be submitted to Congress by the White House.

According to information contained in previous descriptions of the proposal:

- States would receive fixed annual grants over a five-year period. Funding would equal the projected growth in federal foster care expenditures. These projections would be based on the current restrictions that require states to base eligibility on their 1996 AFDC program standards. States would be allowed to draw down up to 20% of this five-year total in any one year.
- All states would have a set period of time to opt-in, or choose this option. States not choosing this option at that set time could not elect to make that choice at a later date. States that do choose this option must continue to receive this set funding for a period of five years have no opportunity to opt-out during the five-year period.
- States choosing the option could spend the funds on foster care and any services now provided under Title IV-E and Title IV-B Child Welfare Services, and Promoting Safe and Stable Families programs.
- States could use the funds for any child in the child welfare system, regardless of income. Based on current eligibility, approximately 50% of all children in foster care are supported with federal funds.
- States choosing the option would have to maintain the same level of state funds now used to draw down federal Title IV-E Foster Care funds.
- States would be expected to maintain the protections for children that exist in current law.
- If a state experienced an unusual increase in their foster care population, a state could draw funds from an emergency fund under the Temporary Assistance for Needy Families (TANF) block grant. To qualify for this relief, a state would have to meet a national and state target increase in foster care caseload or unemployment rates.

- The U. S. Department of Health & Human Services (HHS) would continue to conduct Child and Family Service Reviews for each state. For states choosing this option, Title IV-E eligibility reviews would be eliminated.
- A set-aside of \$30 million would be established for Indian Tribes or consortia that demonstrate the capacity to operate a Title IV-E program. Indian tribes will have similar program requirements as states.
- The Title IV-E Adoption Assistance program would remain unchanged. The eligibility for this program would continue to be linked to a state's 1996 AFDC standards.

### **Adoption Opportunities Program**

The President's budget maintains funding for the Adoption Opportunities grants at \$27 million, the same total approved for FY 2007 and the same funding level that has been in place since FY 2003. The Adoption Opportunities Program (AOP) provides several resources and supports to assist in the adoption of children by providing discretionary grants for demonstration projects that eliminate barriers to adoption and aim to provide permanent, loving homes for children who would benefit from adoption, particularly children with special needs.

One of its many programs, AOP funds the Collaboration to AdoptUsKids, which recruits families for children waiting to be adopted through its National Recruitment Campaign. As of December 2006, 7,123 children had been listed and placed in adoptive homes on the [www.AdoptUsKids.org](http://www.AdoptUsKids.org) website. Other pieces of the AdoptUsKids Cooperative agreement include an annual summit, a national adoption workgroup, research on adoption, support for adoptive parent groups, the AdoptUsKids photo-listing site, and training and technical help for states as needed.

A major success of AdoptUSKids has been the number of sibling groups families have been able to adopt. Of the total number of children adopted from foster care through AdoptUsKids efforts, 2,440 children were from 992 sibling groups. The average sibling group size was 2.7 children and more than 100 of these sibling groups included groups of 4 or more siblings. Of all the children placed through AdoptUsKids, the average age of a child at placement was 10.1 years old, and the ages of the children placed spanned from 2 months to 20 years old.

Other examples of how AOP funding has helped include:

- the National Resource Center on Special Needs Adoption, which provides technical help and training to state, tribal, and other child welfare organizations on current issues in special-needs adoption, such as compliance with federal laws and regulations, permanency planning, and cultural competence;
- the Information Gateway, managed by Caliber, Inc., which is a comprehensive information center on adoption ([www.childwelfare.gov](http://www.childwelfare.gov));
- the National Adoption Information Clearinghouse, which is a comprehensive information center on adoption;

- the National Adoption and Foster Care Recruitment Campaign and the You Gotta Believe program, which seek permanent placements for older children; and
- a focus on rural adoption, which funds 10 discretionary grants across the nation to explore and develop rural adoption, along with a focus on older youth permanency through nine discretionary grants to agencies involved in placement of older teens into permanent homes.

### **Adoption Incentive Payments**

The budget proposes funding the Adoption Incentives at \$14 million—a decrease from last year’s request of \$17 million, but above the final funding for FY 2007, which was set at \$5 million in the final continuing resolution that Congress adopted. All states have received an adoption incentive payment during at least one year out of the past seven. In 2006, 21 states qualified for \$11.6 million. Many states experienced their greatest increase in adoptions from 1997 to 1999, the initial years incentives were provided. Under the original formula, a state had to exceed the year it had its highest number of adoptions to continue to receive an incentive payment. As states successfully reduced the number of children in their child welfare systems, however, this became more and more difficult each year.

### **Independent Living**

The budget contains \$186 million for the Chafee Independent Living Program. This includes \$140 million for a variety of services to ease the transition from foster care for youth who will likely remain in foster care until they turn 18 and former foster children between the ages of 18 and 21, and is the same as the FY 2007 funding level. Approximately 22,718 young people left foster care as a result of age in FY 2004.

### **Independent Living Education and Training Vouchers**

\$46 million of the total funding for the Chafee Independent Living program is proposed for the Education and Training Voucher (ETV) program that was authorized in 2001 (P.L. 106-169). The program was funded for the first time in FY 2003 at \$42 million. Funding was set at \$46 million in FY 2006 and 2007. The voucher program helps older youth leaving foster care obtain the higher education, vocational training, and other education supports needed to become self-sufficient. The President’s budget had requested \$60 million for the ETV’s in previous years. Up to \$5,000 per year is available to a young person for the cost of education or training. This program expands on states’ efforts to provide these services. ETV funds are distributed to the states using the same formula as the Chafee Independent Living Program. If a state does not apply for funds for the ETV program, the funds will be reallocated to one or more states on the basis of their relative need for funds. While states are doing a good job generally of distributing these funds, older foster youth could take advantage of the vouchers if their availability was more widely known.

### **Promoting Safe and Stable Families Program (Title IV-B, Subpart 2)**

The President’s budget proposes funding the core Promoting Safe and Stable Families (PSSF, Title IV-B, Subpart 2) program at \$394 million. This total represents \$305 million in mandatory funds and \$89 million in discretionary funds. The core PSSF program can receive up to \$505 million annually. The core or main PSSF funds are used for four services: family preservation,

community-based family support services, time-limited reunification services and adoption promotion and support services.

\$20 million in mandatory funding is provided for the Court Improvement program. In 2006, Congress created two annual grants of \$10 million each for court improvement efforts that attempt to improve the actions and involvement of local courts as they relate to a state's child welfare system.

The budget also provides the second year of funding for competitive grants to address methamphetamine or other substance abuse as it affects the child welfare system. These funds are mandatory. In FY 2008 \$35 million is provided. In FY 2007, \$40 million was provided and these grants have not yet been awarded. The grants are \$500,000 to \$1 million each and are for 2 to 5 years. Grants can be used for family-based comprehensive long-term substance abuse treatment, early intervention and prevention efforts, child and family counseling, mental health services, parenting skills, and the replication of other successful long-term comprehensive substance abuse treatment initiatives.

\$5 million is provided in FY 2008 for states to carry out a new workforce initiative and improve the child welfare workforce. These funds are mandatory. In addition, states can draw down their share of \$40 million remaining in FY 2006 funds and the FY 2008 funds if the state implements policy and provides data that children in foster care are being visited on a monthly basis. No funds were provided for FY 2007.

### **Children of Incarcerated Parents**

The Administration requests \$50 million for a program that provides mentoring for children with incarcerated parents. This program was authorized in the Promoting Safe and Stable Families Amendment Act of 2001 (P.L. 107-133) and funded for the first time at \$50 million in FY 2005. Funding for FY 2007 was \$49.5 million.

This is a competitive grant program providing grants up to \$5 million each. The grant recipients are required to provide services, both directly and in collaboration with other local agencies, and to strengthen and support the families of those young people. This includes connecting the children with their imprisoned parent when appropriate.

### **Child Welfare Services (Title IV-B, Subpart 1)**

Under the President's budget, the Child Welfare Services are funded at \$287 million. This is the same as FY 2007.

States use these funds to address problems that may result in neglect, abuse, exploitation, or delinquency of children; prevent the unnecessary separation of children from their families and restore children to their families, when possible or place children in adoptive families when appropriate; and assure adequate foster care when children cannot return home or be placed for adoption. There are no federal income eligibility requirements for the receipt of child welfare services.

## **CAPTA Grants**

Child Abuse Prevention and Treatment Act (CAPTA) state grant funding is maintained at its FY 2007 level of funding of \$27 million. CAPTA state grants are used to help improve state Child Protective Services (CPS) systems. CAPTA imposes no income or other eligibility requirements for people receiving assistance, and the program is intended to keep children of any age safe from harm.

CAPTA discretionary grants are increased to \$36 million from the \$26 million in FY 2007. The Administration indicates they will use the additional \$10 million in funds to “encourage states to use existing funding streams to successfully implement and sustain evidence-based home visitation programs.” CAPTA discretionary grants are non-formula funds used to promote research and program assistance and development.

The FY 2008 Community Based Grants for Prevention of Child Abuse and Neglect would be maintained at the FY 2007 level of \$42 million. These grants develop community-based and prevention-focused programs and activities designed to strengthen and support families to prevent child abuse and neglect. Funds are used at the local level for organizations such as family resource programs, family support programs, voluntary home visiting program, respite care programs, parenting education, mutual support programs, and other community programs or networks of such programs that provide activities designed to prevent or respond to child abuse and neglect.

## **CHILD CARE**

The Administration proposes a continued freeze for child care funding as they predict that child care services will continue to decline. For six years in a row, the Administration has offered a freeze in discretionary child care funds. Over the ten year period between 2002 through 2012, Administration projections show a loss of 445,000 child care slots.

The Child Care and Development Fund (CCDF) is made up of both discretionary and mandatory child care dollars. The mandatory or guaranteed funding is now \$2.9 billion. Funding was increased by \$200 million as a result of the reauthorization of TANF included in the 2005 Deficit Reduction Reconciliation Act. This increase is currently available to states as federal matching funds. Approximately \$1.8 billion flows to the states by a set formula, if a state adds state dollars as a match. The remaining funds are provided to states without a required match. As a result of the TANF reauthorization, child care mandatory funds will not increase through FY 2010, which makes the FY 2006 increase the last one that will occur for the remainder of this decade.

## **HEAD START**

The President’s budget proposes no increase in Head Start funding for FY 2007 from last year’s Administration request. Funding would be set at \$6.789 billion. If Congress enacts the final CR for FY 2007, this proposal will result in a cut to Head Start of \$100 million.

Head Start is not experiencing the same rate of growth as before. Between FY 2002 and FY 2004, Head Start’s national enrollment actually declined from a total of 912,345 to 905,851. This

represented the first decline in enrollment from year to year since 1986-87 when enrollment declined by 5,000. Throughout the 1990s when significant investments were being made in program and staff quality and education, Head Start steadily increased rising from 540,930 children in 1990 to 857,664 by the end of the decade in 2000.

### **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)**

The President's FY 2008 budget includes \$16.5 billion in TANF funds to all 50 states, and approximately \$319 million in supplemental grants to 17 states. As a result of the 2006 TANF reauthorization, this total now includes a \$150 million fund for marriage initiatives and fatherhood programs.

### **YOUTH DEVELOPMENT**

The President's budget includes funding of \$981 million for the 21<sup>st</sup> Century Community Learning Centers program, which is the same level of funding as FY 2007. This program provides opportunities for students and their families to continue learning new skills and discover new abilities after the school day has ended.

### **JUVENILE JUSTICE**

The President's budget calls for eliminating dedicated funding for juvenile justice and delinquency prevention. This includes eliminating all funding for the Office of Juvenile Justice and Delinquency Prevention. In its place, a new flexible block grant will be created—the Child Safety and Juvenile Justice Program.

The Child Safety and Juvenile Justice Program is proposed as a flexible grant program, whereby states and localities compete for funding based on local needs as well as national priorities. The new block grant will consolidate existing juvenile justice programs with other federal concerns including the Internet Crimes Against Children program.

After overall funding cuts of over 40% the past five years, the Administration is now proposing to eliminate what remains of the federal commitment to a focused and dedicated system of federal funding, including the office that oversees, evaluates, and monitors juvenile justice throughout the country. The budget proposal eliminates all dedicated federal funding for juvenile justice, and places it, at a reduced amount, in a block grant program. Block grants are more susceptible to budget cuts because they are general, and are more likely to be labeled ineffective, since concrete outcomes are not monitored, or realized. In previous proposals, this administration trimmed the Juvenile Accountability Block Grants Program (JABG) from \$250 million to \$50 million, and has attempted to zero out all JABG funding.

State activities focused on youth crime and delinquency prevention would be put at risk under such a block grant system. Unlike the current system, where states are funded under a formula

based on the number of youth who live there, states would be required to apply for grants, and face the uncertainty of continued funding and the possibility that funds would be denied entirely.

## **BEHAVIORAL HEALTH**

The President is proposing \$3.2 billion in FY 2008 for the Substance Abuse and Mental Health Administration (SAMHSA), to improve the quality and availability of prevention, early intervention, treatment, and rehabilitation services in order to reduce illness, death, disability, and cost to society resulting from substance abuse and mental illness. This is a net decrease of \$159 million from the 2007 Continuing Resolution and \$92 million below the President's budget proposal last year.

### **Substance Abuse**

Funding for the Substance Abuse Performance Partnership Block Grant is frozen at \$1.679 billion for FY 2008. This funding level makes permanent an across the board cut of 1% that was enacted in FY 2005.

The Substance Abuse Treatment Programs of Regional and National Significance are cut by \$47 million for FY 2008. The Administration proposes a FY 2008 total of \$348 million. Funding for this program was reduced from the 2005 level of \$418 million to \$398 million in 2006. Congress then implemented an across the board cut of one percent which brought the final FY 2006 total to roughly \$395 million. The Administration's budget proposes this final total be further reduced by an additional cut of \$47 million. If agreed to by Congress, funding would be approximately \$70 million below 2005 levels.

### **Abandoned Infants Assistance**

The Abandoned Infants Assistance Program is funded at \$12 million, the same level as FY 2007. This program provides demonstration grants for services to infants and young children, many of whom are HIV-infected or drug-afflicted. These infants and young children are medically cleared for discharge from acute hospital settings, but remain hospitalized due to a lack of appropriate out-of-home placement alternatives.

### **Mental Health**

The President's budget includes \$807 million for mental health activities for FY 2008, a decrease of \$77 million from FY 2007. Funding for the Mental Health Services Block Grant for states to provide community-based care for adults and children is frozen at \$428 million. This total adopts FY 2006's across the board cut of 1% as the new funding level. The Administration proposes \$20 million for Mental Health Transformation State Incentive Grants to support states in developing a comprehensive mental health plan and improve their mental health infrastructure.

Funding for the Children's Mental Health Services Program is also frozen at the FY 2006 level of \$104 million. Under the President's budget, SAMHSA's Mental Health Programs of Regional and National Significance would be cut by \$76 million, decreasing funding from \$263 million to \$187 million.

The Projects for Assistance in Transition from Homelessness (PATH), is frozen at the 2006 level of \$54 million. These funds allow grantees to reach out to 154,000 homeless individuals, getting them off the streets and into mental health and substance abuse treatment services, as well as adequate housing.

## **HEALTH**

### **Medicaid/SCHIP**

Medicaid provides a vital health care safety net in every state. It is a lifeline to health care for children, people with disabilities and chronic illness, and low-income elderly people. To broaden coverage to low-income children, Congress enacted the State Children's Health Insurance Program (SCHIP) in 1997. SCHIP targets uninsured children under 19 with family incomes below 200% of poverty that are not eligible for Medicaid or covered by private insurance.

The budget request projects Medicaid mandatory spending to be \$203.9 billion for FY 2008, a \$12 billion increase over the funding level contained in the FY 2007 Continuing Resolution. The President's budget proposes Medicaid legislative changes that will save \$13 billion over five years and administrative changes that will save \$12.7 billion over five years, for a total of \$25.7 million in proposed Medicaid cuts.

Again this year, among the proposed legislative changes to cut Medicaid is a proposal to cap Medicaid Targeted Case Management (TCM) costs to no more than a 50% federal matching rate, the same matching rate as Medicaid administrative services. Current practice allows TCM services to be matched at the higher Medicaid service rate that varies by state from 50% to as high as 80%. The Administration calculates this restriction will reduce Medicaid costs by \$208 million in FY 2007 and a total of \$1.2 billion over five years. For many states, these TCM funds represent a significant source of child welfare funding. Limiting reimbursement to 50% will mean that states will have less federal support to provide these needed services.

Again, like last year, proposed administrative changes include regulations to address reimbursement for services claimed under the Medicaid Rehabilitative Services option, resulting in a cut of \$2.3 billion over five years. Medicaid coverage of rehabilitative services is an important service for children in the child welfare system. Rehabilitative services include any medical or remedial services recommended by a physician or other licensed practitioner of the healing arts, within the scope of his practice under State law, for maximum reduction of physical or mental disability and restoration of a recipient to this best possible functional level. For many states, Title IV-E and Medicaid are each significant federal funding sources for the care and treatment of children in the state's custody.

Title IV-E Foster Care and Adoption Assistance is available for the care and support of eligible children but this "care and support" only includes room, board, school supplies, supervision, and transportation. It does not include treatment of a child's medical condition or the provision of social services. Medicaid services are those that treat a recipient's medical condition, with "medical" encompassing both physical and mental health conditions. It does not include meeting the child's physical needs. Title IV-E may pay for food, clothing, and shelter, but not treatment.

Medicaid may pay for treatment, but not food, clothing, and shelter. Children who are victims of physical and/or sexual abuse and neglect are likely to be in foster care for safety reasons and need treatment for mental/behavioral health conditions related to their being abused or neglected.

A reduction in the amount of federal support for the treatment of children would cause states to have to make a choice between continuing treatment at the same level at a greater cost in state/local dollars; decreasing the amount of treatment children receive; decreasing the number of children receiving treatment; decreasing the per diem reimbursement paid to the providers; or some combination of all of the above. The majority of providers already supplement their local/state/federal reimbursements that fall short of actual costs. A reduction in federal support for treatment would mean providers would have to choose between altering/reducing their programs; tapping deeper into their donor base (which raises the issue of whether a state is obligated to pay for the care of children in its custody); or both.

SCHIP funding is projected to be at \$5.4 billion in FY 2008, a decrease of \$223 million from the FY 2007 Continuing Resolution, and nearly enough to address current funding shortfalls. As part of SCHIP reauthorization, the President's budget also would provide only \$5 billion in additional funding for the program over five years, whereas it is widely accepted that an additional \$12 to \$15 billion is needed over the next five years just to continue the program's current level of children's health coverage.

### **Family Planning**

The Family Planning (Title X) program supports a network of more than 4,500 clinics nationwide serving 4.8 million people. The FY 2008 budget request includes \$283 million for the Title X family planning program, the same as FY 2007. Family Planning clinics provide access to a wide array of reproductive health and preventive services.

### **Abstinence Education**

The FY 2008 budget proposes \$191 million for abstinence only education. This includes \$137 million for community based abstinence education programs. This is an increase of \$28 million over FY 2007. The \$191 million total includes \$50 million in mandatory funding for the State-based abstinence grants program.

### **Maternal and Child Health**

Funding for the Title V Maternal and Child Health Services Block Grant is frozen at \$693 million in FY 2008, the same level as FY 2007. Four years ago, this program was funded at \$730 million. This program supports federal and state partnerships that provide critical services to 27 million women and children. These services include direct health care services for children with special health care needs, the promotion of health and safety in child care settings, and enabling services such as home visiting and nutrition counseling. It also provides support for newborn screening, trauma care, and injury prevention. The budget request also proposes \$102 million for the Healthy Start program, the same level approved for FY 2006. The Healthy Start program supports community-driven programs to reduce low-birth weight and inadequate prenatal care, both conditions that contribute to infant mortality.

## **HIV/AIDS**

The FY 2007 budget request includes \$2.2 billion for the Ryan White HIV/AIDS program. This is an increase of \$95 million over FY 2006. The CR (H.J. Res. 20) includes an increase of \$78.8 million for grants. The President's proposal does not take into consideration this FY 2007 increase.

## **Children with Disabilities**

The President's budget proposes funding at \$423 million for the Individuals with Disabilities Education Act (IDEA) Early Intervention Services Program (Part C) for FY 2008. Funding would equal FY 2006 funding but is a decrease from the funding level of \$436 million for FY 2007. Through IDEA, the U.S. Department of Education works with states to ensure that children with disabilities receive an appropriate public education that includes preparing them for employment and independent living, and that all schools are held accountable for the educational results of children needing special education. This program provides early intervention services for infants and their families.

## **Health Research**

The President's FY 2008 budget request includes \$28.8 billion for the National Institute of Health (NIH). The CR (H.J. Res. 20) currently under consideration provides a \$619 million increase in funding for NIH at \$28.9 billion. The President's proposal would result in a cut. NIH is the world's largest and most distinguished organization dedicated to maintaining and improving health through medical research. Of the 27 institutes and centers at NIH, those of particular importance to children and their families in the child welfare system include the National Institute of Child Health and Human Development. Funding for that Institute would receive \$1.265 billion under the President's request and that would be just \$1 million more than the 2006 level and a reduction from 2007. The National Institute of Mental Health would receive \$1.405 billion, a \$3 million increase over 2006 but a likely cut over 2007. The National Institute on Drug Abuse would be funded at \$1 billion, a \$1 million increase from FY 2006 but a likely decrease from 2007; and the National Institute on Alcohol Abuse and Alcoholism would be funded at \$437 million, a \$2 million increase from FY 2006 but a likely cut from 2007. In each of these areas, the final 2007 funding level will be affected by the final CR, but an overall increase in NIH funding as included in that CR will in all likelihood increase funds above what the President has submitted for FY 2008.

## **HOUSING**

The President continues to urge the U.S. Department of Housing and Urban Development (HUD) to provide vouchers to the Family Unification Program (FUP) which makes available section 8 vouchers for families and youth in the child welfare system. FUP is funded through the HUD's Tenant Protection Fund.