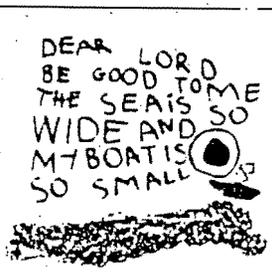


WR-CDF



Children's Defense Fund

January 30, 1995

The Honorable William J. Clinton
President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Thank you for singling out Head Start, immunizations, child health, WIC, school lunches, and gun control, and for your call to raise the minimum wage in your State of the Union Address. And thanks for the passion with which you spoke against putting poor children out in the streets.

This letter is to urge you to **fight unwaveringly to maintain the entitlement status of key child survival programs including AFDC, food stamps, foster care and adoption assistance, child nutrition, Medicaid, SSI, and child support enforcement. And that message must be transmitted clearly and immediately to Democratic governors and to the Congress who are getting muddled or no signals from your Administration.** While we face a multi-front war against the Medusa-like Contract with America which would recklessly slash protections for children and the poor, **the single most important and defining issue is the entitlement battle.** If we lose this battle, we lose the hard-made federal safety net for children, poor, disabled, and elderly in times of unpredictable natural and economic disasters, and we lose the moral anchor a decent national government must provide all of its children and citizens regardless of where they live.

It would be the height of tragic irony for the New Deal's most important legacy of national concern for the needy to be dismantled during your watch.

For decades, the federal government has assured the availability of funds for key child survival programs because the consequences of not doing so -- widespread childhood destitution, hunger, homelessness, illness, abuse, and neglect -- are unthinkable. Yet some governors seem to be on the verge of forgetting why child survival programs are funded on an entitlement basis and are willing to forego the federal funding guarantees in exchange for greater control over the design and implementation of these programs.

As a former governor, you know the enormous risks for state and local taxpayers as well as for children in severing the link between funding levels and documented need. When recession or natural disaster hits and caseloads rise, states will exhaust their federal funds and have no choice but to set up waiting lists, cut benefits and services across the board, or make up the shortfall with state and local dollars. The automatic stabilizing effects of child survival programs channeling additional funds into states and regions during economic

downturns will be lost. And notwithstanding any pledges by the congressional leadership this year, funding for these programs in future years could be slashed repeatedly in response to tight discretionary spending caps.

How can we contemplate circumstances under which a penniless mother and child might be turned away from a county or city welfare office simply because AFDC funds for that month or year already had been spent? What purpose will be served by denying hungry children school lunches or food stamps that ensure food on the table at dinnertime? And who can imagine the suffering if children facing imminent danger of abuse or neglect are placed on waiting lists rather than removed immediately from their homes?

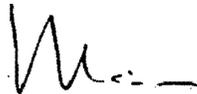
Much can be done to respond to governors' concerns and improve the effectiveness of federal programs serving children and families. Many narrow categorical programs can be consolidated at the federal level, giving states more ability to design initiatives responsive to their unique needs. A genuine welfare reform plan reflecting our shared values of opportunity, self-sufficiency, personal responsibility, fairness, and compassion toward those in need can be enacted. Wasteful spending can be eliminated and the federal deficit sharply reduced. But we must not dismantle in 100 days or a single year the structure of child and family investments built painstakingly and incrementally over the course of decades.

Your clear voice and strong moral leadership is urgently needed to remind all Americans that the protection of children and the poor -- particularly those who work and who are the previous beneficiaries of many of the programs and policies of your Administration -- is one of our most deeply held and broadly shared national values, one that must not be sacrificed in upcoming budget debates. Children and families who meet the basic eligibility rules of child survival programs must be able to rely upon America's promise not to turn its back on them. This is the crucial area in which you can define for the American people the differences between your Administration and the new Republican leadership in Congress.

Voters did call for change in November and voted for less and more effective government. But they did not vote for more callous government or to balance the budget unfairly on the backs of children. They did not vote to starve hungry children or turn their backs on struggling families in crisis. Please stand firm in protecting all of our children and ensuring that every child has a chance to get a healthy start, a head start, a fair start, and a safe start in life.

We are working very hard to support your leadership.

Sincerely yours,



Marian Wright Edelman

WR-CDF



Children's Defense Fund

STATEMENT BY

CLIFFORD M. JOHNSON
DIRECTOR, PROGRAMS AND POLICY
CHILDREN'S DEFENSE FUND

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
WAYS AND MEANS COMMITTEE
SUBCOMMITTEE ON HUMAN RESOURCES

HEARING ON
"CONTRACT WITH AMERICA"
WELFARE REFORM PROPOSAL

FEBRUARY 2, 1995

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I am Cliff Johnson, Director of Programs and Policy for the Children's Defense Fund. CDF is a privately funded research and advocacy organization dedicated to providing a strong and effective voice for children, especially poor and minority children and their families. We welcome the opportunity to appear before the Subcommittee this morning to offer our suggestions on how the welfare system can be reformed to respond more effectively to the needs of those it was first established to assist -- America's poorest and most vulnerable children.

It is time to reform the welfare system. The American people now understand most of the key policy choices before the Congress and have clear views on how we must proceed. The public's goals are practical -- they want families to move from welfare to work. Their demands are realistic -- they understand that it will take at least the same (or perhaps greater) resources as we now spend to enable parents to make a stable entry into the labor force. They want, reasonably enough, to feel confident that these dollars are spent effectively. They do not want to cut children off without any chance of support. And they do not want to separate children from their families for reasons of poverty alone.

The American people know that children -- who represent two-thirds of all welfare (AFDC) recipients -- easily could be hurt by reforms that are intended to punish or alter the behavior of their parents. That is why poll after poll presents a portrait of Americans struggling to strike a careful balance in welfare reform, a balance that makes major changes in how welfare works while still ensuring that it protects the next generation from severe deprivation. There is little support for radical or reckless changes from either the Left or the Right -- what the American people want is some common sense and a reasonable middle ground.

My hope this morning is that you will pause with me for a moment to consider whether the agenda this Subcommittee appears on the verge of pursuing -- one that includes elimination of AFDC's entitlement status and the imposition of sweeping new mandates on states in highly controversial areas such as teenage childbearing, paternity establishment, and absolute time limits -- is consistent with the strongly held values and beliefs of voters and the broader public. **Withdrawing the assurance that help will be available when it is needed by desperately poor families with children is a change that the public neither seeks nor wants.** If we abandon this fundamental commitment to aid the weak in times of need, regardless of where they live, we lose the moral anchor on which we stake our claim to be a decent, civilized, and enlightened society.

Some of the concerns expressed by majority members of this Subcommittee clearly have struck a chord in several key areas. We do need to rethink how government responds to the needs of the small but nonetheless deeply troubling minority of young teenagers who bear children out of wedlock while they are still children themselves. Similarly, we should find ways of building enough flexibility into the welfare system so that it can provide transitional help to the large majority of families who move quickly off the rolls while also ensuring that less skilled parents or more troubled families do not become mired in the system for years and years. Paying attention to how the welfare system treats teen parents and long-term recipients makes sense.

At the same time, however, we must all be careful not to mislead the public and thereby fuel their distrust or cynicism regarding decisions made in Washington. For example, when only one percent of all parents now receiving AFDC -- fewer than 50,000 out of 5 million nationwide -- are teens younger than 18 and many of those teen parents are living in stable and secure family situations, it is both dangerous and wrong to invoke images of 13-year-old girls throwing their babies in dumpsters as justification for wholesale changes in our welfare system. By all means, let's roll up our sleeves and hammer out workable solutions in areas such as teen pregnancy. But **we will do irreparable harm to millions of poor children and families all across the country if we engage in the political equivalent of unscrupulous "bait and switch" sales tactics, talking about small segments of the AFDC population while pursuing policy changes such as lifetime denial of aid to children born to teen parents or the more sweeping elimination of AFDC's entitlement status that reach far beyond these groups.**

CDF strongly supports practical steps to enable parents to enter work and stay there -- child care, health coverage, financial work incentives, and education and training. We understand that these investments in work and self-sufficiency often are expensive but we believe that they also are essential if we are realistically to move parents receiving AFDC from welfare to work. CDF also believes that fairly structured requirements and reciprocal obligations are an appropriate and useful means of striking a balance between compassion and personal responsibility in the welfare system. But we oppose proposals that punish parents who "play by the rules," simply force poor families off the welfare rolls even when parents are willing to work but jobs are not available, or push children deeper into poverty because of past mistakes by their parents.

Why AFDC's Entitlement Status Matters to Children and to States

The federal government for decades has assured the availability of adequate funds for key child survival programs such as AFDC and food stamps because the consequences of not doing so -- widespread childhood destitution, hunger, homelessness, illness, abuse, and neglect -- are unthinkable. If the Subcommittee is prepared to withdraw this assurance of help by repealing the entitlement to AFDC and food stamps, you must be prepared to answer the most basic question: **Under what circumstances do you believe it is acceptable and appropriate to turn away a mother and child with no other means of support from a county or city welfare office?** For example:

- Should a mother and child be turned away simply because a recession pushed more families on to the welfare rolls and available federal funds for AFDC or food stamps had been exhausted?
- Should a mother and child be denied help simply because their personal misfortune struck too late in the fiscal year?

- Should a mother and child be left without income support simply because a state or county chose not to provide AFDC or food stamp benefits in particular regions, communities, or neighborhoods or to specific groups of families?

The only way in which the elimination of the AFDC and food stamp entitlements will reduce federal expenditures is if some currently eligible families with children are denied help. Who are these families that no longer deserve our help? And what will become of the hundreds of thousands -- or even millions -- of poor children who may lose the basic benefits upon which their very survival depends?

The loss of entitlement status also poses great risks to states. When the next economic recession or natural disaster hits and caseloads rise, states that are limited to prior year funding levels through a block grant or capped entitlement will face very painful choices: (1) eliminate assistance to some poor families, either through waiting lists or by newly defining them as ineligible; (2) cut assistance across the board for all families; or (3) add state dollars and possibly raise state taxes to make up the loss of federal funds. States will confront these choices precisely at those times when an economic downturn or other crisis depress state tax revenues and when rising joblessness leaves poor parents with even fewer opportunities in a shrinking job market.

Consider the consequences to poor children and to states if block grants had stripped the AFDC and food stamp programs of their entitlement status in FY 1988. **By FY 1993 states would have had almost \$17 billion less to spend on those programs than they actually received from the federal government -- a loss of 42 percent.**¹ Even if the food stamp program had been allowed to grow at the rate of inflation, states still would have seen their total federal funding through AFDC and food stamps drop by more than one-third.

Assuming that states divided the cuts equally among the eligible population, typical (median) AFDC and food stamp benefits would have been reduced in FY 1993 from \$652 per month down to \$378. States might reasonably be expected to do whatever they could to minimize this precipitous drop in income (from 68 percent of the 1993 poverty line to 39 percent). Would they be forced to cut deeply into work, education and training, and child care programs -- the very tools families need to escape from welfare? Surely this is not the outcome that the Subcommittee seeks in its welfare reform efforts.

These calculations make clear that establishment of a five percent "rainy day" fund to accompany a welfare block grant, as discussed in press reports in recent days, falls far short of resolving the problems associated with the loss of entitlement funding for AFDC and food stamps. The 42 percent loss figure also makes clear that increased program efficiency or "administrative savings" could not possibly provide states enough money to make up for the

¹And some states would have lost proportionately more -- the state of Florida for example would have lost \$1.3 billion, a 67 percent loss in federal funding. California would have lost \$2.6 billion, a 46 percent loss.

loss of federal funds. Total federal and state costs to run the AFDC and food stamp programs are approximately 12 percent of the programs' overall expenditures. Even if these administrative costs were cut by 20 percent, total program costs would be reduced just two to three percent, a tiny share of the 42 percent loss.

Most governors and state legislative leaders will not want to deny help to otherwise destitute mothers and children. Yet with sharply reduced funding and an inability to respond adequately to rising caseloads under a block grant, the only flexibility left to states will be the flexibility to decide which families are turned away and which children are placed in grave jeopardy by the loss of basic income support.

Additional Concerns About Block Grants

There are a number of other reasons why converting the current AFDC and food stamp programs into a welfare block grant may not be in the best interests either of poor children or of the nation:

- **A block grant could harm states' efforts to reform the welfare system.** Many states would like to create work slots, impose work requirements, or expand child care for AFDC mothers seeking to work their way off welfare. But under block grants, states would receive fewer federal AFDC funds and be less able to ensure that recipients work. Particularly if caseloads rise and federal funds are exhausted, work-related programs may become early victims of state austerity measures.
- **A block grant could prolong and/or deepen recessions.** Entitlements serve as automatic "economic stabilizers," helping state and local economies recover from recessions. Block grants on the other hand do not provide increased federal funds during recessions and so could prolong economic downturns at national, regional or state levels.
- **Any funding formula for a welfare block grant inherently would misallocate funds among states.** Even if funding could change based on factors such as inflation or unemployment, the formula would be based on past state economic conditions -- perhaps with a time lag of many years -- and could not take into account whether the state economy had improved or deteriorated since then. States with worsening economies would receive too small a share of federal funds while states with improving economies would receive too large a share.
- **A block grant would make state budgeting more difficult.** Since congressional appropriations bills frequently are not passed until after the new fiscal year has already begun, states would have difficulty budgeting for the new year.
- **Notwithstanding any pledge by the congressional leadership this year, funding for a block grant could be slashed repeatedly in future years.** Inadequate funding during

recessions as described above could be even worse than anticipated due to tightened discretionary spending caps or lower appropriations.

Will States Always Protect Poor Children Under a Block Grant?

The federal government has a responsibility to assure that the funds it invests in basic income support for poor children and families are appropriately and well spent. There are dangers to children if the federal government abdicates this responsibility. For example, until the early 1970s, states were left to set their own income eligibility and benefit levels for food stamps, even though the program was 100 percent federally funded. Many states set very low limits and some of the poorest counties in the nation declined to operate a program at all. When national studies about child hunger shocked the nation, President Nixon put in place a set of minimum federal standards for food stamps to ensure that every state responded adequately to the needs of poor children and families.

Of course, doubts about the willingness of all states to respond to children's most basic survival needs would be even greater under a welfare block grant that reduced federal funding and left states to pay the remaining costs. In the past, even when states had to bear only a portion of total program costs, too many failed to protect children. In child support enforcement, for example, many states did not allow children born out of wedlock to pursue support from their fathers or put other major roadblocks in the way of parents seeking child support until federal standards were applied. Similarly, when states had the option to extend Medicaid to children in working poor families as well as in welfare families, only about one-third chose to do so.

State Flexibility Can Be Increased Without Eliminating Entitlements

States can be given much of the additional flexibility block grants offer while maintaining the federal-state financing structure for AFDC. Under this alternative approach, states would retain their responsibility to provide cash assistance to all families who qualify for assistance under their state plan and the federal government would continue to share the cost of assistance to eligible families. Federal rules could be limited to those areas where there is a clear federal policy interest. In all other areas, including such diverse issues as the design and structure of work programs, the treatment of income and assets, and the development of innovative measures to reduce reliance upon welfare and enhance self-sufficiency, states would be free to establish their own rules.

This approach to state flexibility is sharply at odds with proposed new mandates on states and counties under the Personal Responsibility Act that would deny basic cash assistance to as many as five to six million needy children. We hope that this Subcommittee, with its interest in expanding state flexibility, will not propose new state mandates in highly controversial areas. We also question the basic fairness of many of the choices that would be imposed upon states:

- Should children and families be left without any cash help or a public service job even when the parent was willing to work but unable to find unsubsidized employment?² "Two years and off" (or five years and off) assumes that every family receiving welfare can find a job but is simply unwilling to work. Are there no depressed rural areas or inner city areas where there is a shortage of jobs? For parents willing to work but unable to find a job, what effect will denying assistance have on the children?
- Should children applying for AFDC after the bill takes effect be denied assistance when paternity is not established even when the mother is fully cooperating with efforts to establish paternity?³ Paternity is not established in many cases not because the mother fails to cooperate but because states' current child support agencies are overwhelmed. State child support agencies often fail to establish paternity even when mothers provide all the necessary information.⁴ Should children be penalized when failure to establish paternity is the fault of an overloaded child support system?

CDF does not believe it makes sense to deny assistance to families who are doing everything that is being asked of them and "playing by the rules." In addition, we believe it is counterproductive to deny all assistance to children because of the circumstances of their birth. Proposals before the Subcommittee which would permanently bar aid to children born to mothers younger than 18 will do little to reduce out-of-wedlock childbearing, but they will do enormous harm to children. Proposals which permanently exclude children for whom paternity has not been legally established are similarly harmful, denying necessities of life during a child's critical developmental stages even when the mother cooperates fully with authorities in naming the father.

²States would be allowed to eliminate all cash benefits to families who have received aid for two years and permanently bar such families from any future aid if the parent had participated in the work program for at least one year. After five years, states would be required to terminate permanently the family from cash assistance.

³The only exception would be in cases of rape or incest or where the state determines that establishing paternity would result in physical danger to the mother. This provision would eventually deny assistance to one out of every four children applying for AFDC.

⁴In Maricopa County, Arizona, a 1992 study found that the mother provided the child support agency with the name of the father in 91 percent of the cases -- often also providing valuable information such as the father's Social Security number or address, which should have enabled the agency to locate the father and establish paternity. Yet out of 353 cases in which the mother named the father, the agency established paternity in only *ten* cases. In contested cases, it took the agency 16.2 months on average to establish paternity. In Georgia, a group of welfare mothers sued the state agency because they wanted to establish paternity and the child support agency was not giving them the help they needed to do so.

Conclusion

The goal we all share in welfare reform is to move families from welfare to work. To make this effort a success, CDF urges the Subcommittee to search for ways to move forward within today's difficult budgetary constraints:

- Can we move more parents from welfare to work by increasing our investment in child care? For AFDC parents, child care allows them to increase their participation in education, training, and employment. For working poor families, child care can prevent them from falling onto welfare in the first place.
- How do we continue to recognize the importance of education and training as avenues to long-term self-sufficiency? Only half of welfare parents have a high school diploma or the equivalent. There is also clear evidence that recipients with higher skills and education have the shortest stays on welfare and are the most likely to stay off permanently. Increasing parents' skills helps them get and keep a job and support their family.
- Are there creative ways within current budgetary constraints to provide jobs for targeted groups of parents on AFDC when private sector employment simply is not available?⁵ While job creation often is expensive, it is an essential way of affirming our belief that work is better than welfare.
- What more can be done to strengthen our child support enforcement system? We welcome this Subcommittee's efforts to ensure that every child receives the support of both parents.

It is possible to give states more flexibility to experiment with programs that move parents from welfare to work without taking the deeply troubling step of breaking our promise to protect poor children. In a very literal sense, the lives of millions of the nation's poorest children are in your hands as the Subcommittee turns to the task of welfare reform. We urge you to help families receiving welfare to make the transition to work, not to undermine these efforts by repealing the entitlement status of AFDC and food stamps or by imposing rigid mandates on states that can only impoverish further millions of desperately poor children.

Thank you for the opportunity to testify this morning. I would be happy to answer any questions.

⁵According to a study in Milwaukee, there were eight unemployed workers for every job opening in the city's poorest neighborhoods -- a number nearly six times greater than in the rest of the metropolitan area. As in the children's game of "musical chairs," there simply are not enough seats for everyone.

**Federal outlays by state for AFDC and Food Stamps, FY 1988 and FY 1993,
and loss in FY 1993 if funding had been frozen at FY 1988 levels.**

Source: U.S. Census Bureau. Calculations by the Children's Defense Fund.

	Actual FY 88 (\$millions)	Actual FY 93 (\$millions)	Increase (\$millions)	Percent Increase	Loss in FY 93 if Frozen at FY 88	Percent Increase Above Inflation	Loss in FY 93 if Block Grant is Adjusted for Inflation
US TOTAL	\$23,850.2	\$40,780.7	\$16,930.6	71%	42%	39%	28%
Alabama	348.5	632.9	284.4	82%	45%	48%	32%
Alaska	65.0	118.9	53.9	83%	45%	49%	33%
Arizona	240.4	652.7	412.3	171%	63%	121%	55%
Arkansas	177.9	280.1	102.2	57%	37%	28%	22%
California	3,102.5	5,719.2	2,616.7	84%	46%	50%	33%
Colorado	203.2	358.7	155.5	77%	43%	44%	31%
Connecticut	189.4	372.1	182.6	96%	49%	60%	38%
Delaware	36.9	80.8	43.9	119%	54%	78%	44%
District of Columbia	92.8	170.3	77.4	83%	45%	50%	33%
Florida	659.8	1,975.8	1,316.0	199%	67%	144%	59%
Georgia	520.0	1,052.8	532.8	102%	51%	65%	39%
Hawaii	126.2	221.2	95.0	75%	43%	43%	30%
Idaho	60.4	88.6	28.3	47%	32%	20%	16%
Illinois	1,276.9	1,654.2	377.2	30%	23%	6%	5%
Indiana	218.5	616.9	398.4	182%	65%	130%	57%
Iowa	235.0	279.2	44.2	19%	16%	-3%	-3%
Kansas	142.9	250.0	107.0	75%	43%	43%	30%
Kentucky	439.8	642.7	202.8	46%	32%	19%	16%
Louisiana	628.3	852.5	224.1	36%	26%	11%	10%
Maine	118.1	202.4	84.3	71%	42%	40%	28%
Maryland	337.9	862.3	524.4	155%	61%	108%	52%
Massachusetts	497.3	812.0	314.6	63%	39%	33%	25%
Michigan	1,353.5	1,693.9	340.4	25%	20%	2%	2%
Minnesota	339.7	582.0	242.3	71%	42%	40%	28%
Mississippi	387.8	519.4	131.6	34%	25%	9%	8%
Missouri	404.8	719.7	314.9	78%	44%	45%	31%
Montana	71.9	102.1	30.3	42%	30%	16%	14%
Nebraska	102.2	165.4	63.3	62%	38%	32%	24%
Nevada	40.0	129.1	89.1	223%	69%	163%	62%
New Hampshire	23.2	88.5	65.3	282%	74%	211%	68%
New Jersey	559.1	957.7	398.7	71%	42%	40%	28%
New Mexico	150.9	351.8	200.9	133%	57%	90%	47%
New York	2,286.4	3,765.3	1,479.0	65%	39%	34%	26%
North Carolina	395.9	844.1	448.2	113%	53%	74%	42%
North Dakota	40.1	66.6	26.5	66%	40%	35%	26%
Ohio	1,353.9	1,936.4	582.5	43%	30%	17%	14%
Oklahoma	269.4	489.0	219.6	82%	45%	48%	32%
Oregon	260.7	424.8	164.2	63%	39%	33%	25%
Pennsylvania	1,111.2	1,679.0	567.8	51%	34%	23%	19%
Rhode Island	88.4	158.3	69.9	79%	44%	46%	32%
South Carolina	263.2	431.6	168.4	64%	39%	34%	25%
South Dakota	51.7	68.6	16.9	33%	25%	8%	8%
Tennessee	412.1	851.4	439.3	107%	52%	68%	41%
Texas	1,284.1	2,871.2	1,587.1	124%	55%	82%	45%
Utah	115.6	185.6	70.0	61%	38%	31%	24%
Vermont	55.0	91.4	36.4	66%	40%	35%	26%
Virginia	337.2	639.5	302.3	90%	47%	55%	35%
Washington	448.1	891.5	443.4	99%	50%	62%	38%
West Virginia	266.3	379.2	112.9	42%	30%	16%	14%
Wisconsin	559.7	585.7	26.0	5%	4%	-15%	-17%
Wyoming	31.3	56.0	24.6	79%	44%	46%	31%

ENTITLEMENT SPENDING IS NOT "OUT OF CONTROL"

As efforts to decrease the budget deficit move forward, we must remember that welfare spending is not the cause of the deficit problem. The AFDC program is extremely important to poor children but welfare spending is not \$300 billion per year -- contrary to the statements of some who advocate radical budget cuts. This exaggerated figure includes many programs the public clearly understands as **not** being welfare such as student loans, nursing home care for the elderly (Medicaid),¹ and the Earned Income Credit (which will provide tax benefits to working families with children whose incomes fell below \$28,600 in tax year 1996).

Additionally, entitlement spending on welfare families is a small fraction of all entitlement spending and only a part of means-tested entitlement spending. The AFDC program, including cash benefits, emergency assistance, child support enforcement, Title IV-A child care, and "At-Risk" child care, constitutes only two percent of entitlement spending and one percent of total federal spending. When food stamp and Medicaid benefits for AFDC families are added in the total rises to only three percent of overall federal spending.

- According to the Congressional Budget Office, in 1994 the federal government spent \$177 billion on means-tested entitlement programs. Spending on AFDC families totaled about 25 percent of this amount and about six percent of all entitlement spending.²
- Almost half (46 percent) of total means-tested entitlements are spent on the elderly and disabled.

Moreover, overall entitlement spending is not growing. According to the Bipartisan Commission on Entitlements, means-tested entitlements other than Medicaid will not rise at all as a percentage of the total national economy (Gross Domestic Product or GDP) after the year 2000. The latest CBO forecasts suggest they will decline a bit as a percentage of GDP. The Entitlement Commission estimates, however, that between now and 2030 that Medicare and Medicaid will climb as a percentage of GDP.³ The only entitlements that are increasing substantially are Medicare and Medicaid which suggests the necessity of health care reform.

¹Actually 69 percent of Medicaid funding goes to the elderly, blind, or disabled. Only 18 percent of Medicaid funding goes to families receiving AFDC.

²These figures includes federal spending on AFDC benefits, emergency assistance, child support enforcement, Title IV-A and "At-Risk" child care, food stamp benefits for AFDC families, and Medicaid spending on AFDC families.

³Medicare will rise from 2.4 percent of GDP to 7.9 percent, and Medicaid will increase from 1.3 percent to 3.1 percent of GDP.

WELFARE REFORM: WHAT THE PUBLIC WANTS

There is no question but that Americans want welfare reform. 45 percent favor completely replacing the current system, and 52 percent want welfare to be fixed, rather than replaced (USA Today/CNN/Gallup poll, December 2-6, 1994).

But while the public wants welfare to be changed, they do not want to leave poor children and families without any assistance. 65 percent of Americans agreed that it is government's responsibility to take care of people who can't take care of themselves (New York Times/CBS News Poll, December 6-9, 1994). Even after a political campaign season characterized by unabated attacks on welfare, 56 percent opposed ending payments to unmarried mothers, and 60 percent opposed ending payments to the children of unmarried mothers (USA Today/CNN/Gallup). In fact, fewer people wanted to reduce tax dollars going to welfare

The public takes a commonsense approach to welfare reform. They want adult recipients to work, but they understand that tools such as education and child care are necessary for that to happen, and don't want to leave families stranded if they cannot find employment. 87 percent agreed that the government should create work programs for people on welfare and require participation (New York Times/CBS News Poll). But they do not believe that families should be cut off from all assistance after a limited time period if they are willing to continue to work. 71 percent want them to continue receiving benefits (New York Times/CBS News Poll). 73 percent would be upset if new limits on welfare cut off benefits to poor families even when no work is available (Newsweek Poll, December 27-28, 1994). They strongly support government's responsibility to eliminate poverty: 80 percent share that belief now (Center for Study of Policy Attitudes, October, 1994), compared to 70 percent in a 1964 Gallup poll. They understand that we cannot eliminate poverty without spending money. 70 percent would increase federal spending on poor children, and another 20 percent would keep spending the same as now (Center for Study of Policy Attitudes). When asked, "Should welfare reform start saving taxpayers money immediately, or is it more important to train welfare recipients for jobs, which means the government would spend more money in the short run?" 69 percent were willing to spend more, and only 24 percent were looking for immediate savings (Time/CNN, December 7-8, 1994). An overwhelming 92 percent support job training for welfare recipients, and 88 percent favor child care for parents looking for work. Including the word "welfare" in polling questions always produces a more negative result, but even when asked if tax dollars should be increased or decreased for welfare, 48 percent would spend either the same or more than current levels, while 36 percent would reduce taxes going to welfare. Only 10 percent would end tax funds for welfare altogether (USA Today/CNN/Gallup).

Americans express deeply held values in their opinions about welfare and poverty. They do not want to break up families. 72 percent wanted to keep unmarried mothers under age 21 and their children together, and only 20 percent favored placing the children in an orphanage or in foster care (New York Times/CBS News Poll). 78 percent would be upset if many poor

mothers have to give up their welfare benefits and send their children to orphanages or foster homes (Newsweek Poll). They also want people to take personal responsibility for bettering themselves. 44 percent feel that lack of effort is more to blame for people's poverty, while 34 percent blame circumstance (New York Times/CBS Poll). Negative feelings about adults on welfare are fairly prominent, and while a majority (56 percent) oppose ending payments to unmarried mothers, when asked if children should have separate benefits, 78 percent say yes (USA Today/CNN/Gallup). And as noted above, Americans value work. 83 percent "would be willing to spend more in taxes on programs to reduce poverty provided that the focus is on job training and moving people into productive work" (Center for the Study of Policy Attitudes).

The public does respond to issues of fairness. When asked, "Is it fair to cut off government payments to people who have been on welfare for two years, even if they have no other source of income?" 52 percent said it was unfair, while only 38 percent said it was fair (Time/CNN Poll).

DEAR LORD
BE GOOD TO ME
THE SEATS ARE
WIDE AND SO
MY BOAT IS
SO SMALL

Children's Defense Fund

January 30, 1995

The Honorable William J. Clinton
President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Thank you for singling out Head Start, immunizations, child health, WIC, school lunches, and gun control, and for your call to raise the minimum wage in your State of the Union Address. And thanks for the passion with which you spoke against putting poor children out in the streets.

This letter is to urge you to **fight unwaveringly to maintain the entitlement status of key child survival programs including AFDC, food stamps, foster care and adoption assistance, child nutrition, Medicaid, SSI, and child support enforcement. And that message must be transmitted clearly and immediately to Democratic governors and to the Congress who are getting muddled or no signals from your Administration.** While we face a multi-front war against the Medusa-like Contract with America which would recklessly slash protections for children and the poor, **the single most important and defining issue is the entitlement battle.** If we lose this battle, we lose the hard-made federal safety net for children, poor, disabled, and elderly in times of unpredictable natural and economic disasters, and we lose the moral anchor a decent national government must provide all of its children and citizens regardless of where they live.

It would be the height of tragic irony for the New Deal's most important legacy of national concern for the needy to be dismantled during your watch.

For decades, the federal government has assured the availability of funds for key child survival programs because the consequences of not doing so -- widespread childhood destitution, hunger, homelessness, illness, abuse, and neglect -- are unthinkable. Yet some governors seem to be on the verge of forgetting why child survival programs are funded on an entitlement basis and are willing to forego the federal funding guarantees in exchange for greater control over the design and implementation of these programs.

As a former governor, you know the enormous risks for state and local taxpayers as well as for children in severing the link between funding levels and documented need. When recession or natural disaster hits and caseloads rise, states will exhaust their federal funds and have no choice but to set up waiting lists, cut benefits and services across the board, or make up the shortfall with state and local dollars. The automatic stabilizing effects of child survival programs channeling additional funds into states and regions during economic

downturns will be lost. And notwithstanding any pledges by the congressional leadership this year, funding for these programs in future years could be slashed repeatedly in response to tight discretionary spending caps.

How can we contemplate circumstances under which a penniless mother and child might be turned away from a county or city welfare office simply because AFDC funds for that month or year already had been spent? What purpose will be served by denying hungry children school lunches or food stamps that ensure food on the table at dinnertime? And who can imagine the suffering if children facing imminent danger of abuse or neglect are placed on waiting lists rather than removed immediately from their homes?

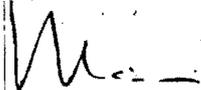
Much can be done to respond to governors' concerns and improve the effectiveness of federal programs serving children and families. Many narrow categorical programs can be consolidated at the federal level, giving states more ability to design initiatives responsive to their unique needs. A genuine welfare reform plan reflecting our shared values of opportunity, self-sufficiency, personal responsibility, fairness, and compassion toward those in need can be enacted. Wasteful spending can be eliminated and the federal deficit sharply reduced. But we must not dismantle in 100 days or a single year the structure of child and family investments built painstakingly and incrementally over the course of decades.

Your clear voice and strong moral leadership is urgently needed to remind all Americans that the protection of children and the poor -- particularly those who work and who are the previous beneficiaries of many of the programs and policies of your Administration -- is one of our most deeply held and broadly shared national values, one that must not be sacrificed in upcoming budget debates. Children and families who meet the basic eligibility rules of child survival programs must be able to rely upon America's promise not to turn its back on them. This is the crucial area in which you can define for the American people the differences between your Administration and the new Republican leadership in Congress.

Voters did call for change in November and voted for less and more effective government. But they did not vote for more callous government or to balance the budget unfairly on the backs of children. They did not vote to starve hungry children or turn their backs on struggling families in crisis. Please stand firm in protecting all of our children and ensuring that every child has a chance to get a healthy start, a head start, a fair start, and a safe start in life.

We are working very hard to support your leadership.

Sincerely yours,



Marian Wright Edelman

MWE/emb

WELFARE REFORM BRIEFING BOOK



Children's Defense Fund

CHILDREN'S DEFENSE FUND
January, 1995

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file:
CDF

Meeting w/ Ben-Ami
2/1/1000 am

THE CHILDREN'S DEFENSE FUND
25 E STREET, NW
WASHINGTON, D.C. 20001
202/628-8787

TO: Carol Rasco

FROM: Marian Wright Edelman

FAX: 456-2878

DATE: January 30, 1995

NUMBER OF PAGES INCLUDING COVER: 3

IF ANY PROBLEM WITH TRANSMISSION, PLEASE CALL: 202-662-3506

COMMENTS: Following is a letter to the President. Please call me if you have any questions.

cc: REED
Ben-Ami

241
I am meeting
with CDF
Folke Wells.
re: welfare



Children's Defense Fund

January 30, 1995

The Honorable William J. Clinton
President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Thank you for singling out Head Start, immunizations, child health, WIC, school lunches, and gun control, and for your call to raise the minimum wage in your State of the Union Address. And thanks for the passion with which you spoke against putting poor children out in the streets.

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As a former governor, you know the enormous risks for state and local taxpayers as well as for children in severing the link between funding levels and documented need. When recession or natural disaster hits and caseloads rise, states will exhaust their federal funds and have no choice but to set up waiting lists, cut benefits and services across the board, or make up the shortfall with state and local dollars. The automatic stabilizing effects of child survival programs channeling additional funds into states and regions during economic

2

downturns will be lost. And notwithstanding any pledges by the congressional leadership this year, funding for these programs in future years could be slashed repeatedly in response to tight discretionary spending caps.

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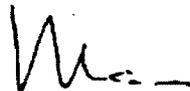
Much can be done to respond to governors' concerns and improve the effectiveness of federal programs serving children and families. Many narrow categorical programs can be consolidated at the federal level, giving states more ability to design initiatives responsive to their unique needs. A genuine welfare reform plan reflecting our shared values of opportunity, self-sufficiency, personal responsibility, fairness, and compassion toward those in need can be enacted. Wasteful spending can be eliminated and the federal deficit sharply reduced. But we must not dismantle in 100 days or a single year the structure of child and family investments built painstakingly and incrementally over the course of decades.

Your clear voice and strong moral leadership is urgently needed to remind all Americans that the protection of children and the poor -- particularly those who work and who are the previous beneficiaries of many of the programs and policies of your Administration -- is one of our most deeply held and broadly shared national values, one that must not be sacrificed in upcoming budget debates. Children and families who meet the basic eligibility rules of child survival programs must be able to rely upon America's promise not to turn its back on them. This is the crucial area in which you can define for the American people the differences between your Administration and the new Republican leadership in Congress.

Voters did call for change in November and voted for less and more effective government. But they did not vote for more callous government or to balance the budget unfairly on the backs of children. They did not vote to starve hungry children or turn their backs on struggling families in crisis. Please stand firm in protecting all of our children and ensuring that every child has a chance to get a healthy start, a head start, a fair start, and a safe start in life.

We are working very hard to support your leadership.

Sincerely yours,



Marian Wright Edelman

MWE/emb

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: Reed Way
Galston

Draft response for POTUS
and forward to CHR by: _____

Draft response for CHR by: _____

Please reply directly to the writer
(copy to CHR) by: _____

Please advise by: _____

Let's discuss: _____

For your information: _____

Reply using form code: _____

File: _____

Send copy to (original to CHR): _____

Schedule ? : Accept Pending Regret

Designée to attend: _____

Remarks: _____

OCT 19 1994

DEAR LORD
BE GOOD TO ME
THE SEAS ARE
WIDE AND SO
MY BOAT IS
SO SMALL

Children's Defense Fund

October 13, 1994

Ms. Carol H. Rasco
Assistant to the President
for Domestic Policy
Executive Office of the President
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

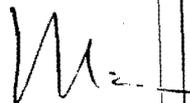
Dear Carol:

While I was pleased to see the guidelines on federal 1115 waivers issued by HHS a few weeks ago, I cannot imagine why the Administration is not requiring all states to assess the impact of their experiments on children.

I know the Administration is committed to state flexibility in this and other areas. Particularly if states are to be allowed to undertake more controversial experiments, however, we surely need to know whether and to what extent children are harmed by resulting reductions in AFDC benefits or other state modifications of welfare rules.

It is my understanding that, in a few cases, HHS already has required states to conduct child impact evaluations. In the future, I certainly hope this can be a part of all waivers approved by HHS.

Sincerely yours,



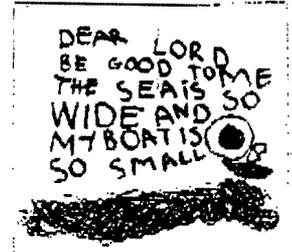
Marian Wright Edelman

MWE:cmj

25 E Street, NW
Washington, DC 20001
Telephone 202 628 8787
Fax 202 662 3510

FOR IMMEDIATE RELEASE
 Tuesday, June 14, 1994
 Contact: Stella Ogata 202-662-3609

*Reed / Way
 SJS*



Children's Defense Fund

**CDF GIVES ADMINISTRATION WELFARE REFORM
 PLAN A MIXED REVIEW**

WASHINGTON, D.C. -- Citing concerns about inadequate investments in real job creation and cuts in help for poor children and families, the Children's Defense Fund (CDF) today said that it will work with Congress to improve key provisions that adversely affect children in the Administration's welfare reform plan.

"While there are some important new initiatives in this plan, other provisions threaten to push some poor children and families deeper into poverty," said CDF President Marian Wright Edelman.

CDF specifically criticized a proposed option for states to exclude children born to families already on Aid to Families with Dependent Children (AFDC) from assistance, and to eliminate the safety net for children whose parents don't comply with all welfare rules.

However, Edelman praised provisions of the plan that add new federal funds for child care, education, and training as well as measures to strengthen child support enforcement and create child support assurance demonstration opportunities. In another provision of importance to children, the plan also protects parents who are willing to work from losing all income support when jobs are not otherwise available.

"We desperately need to reform the current welfare system," said Clifford M. Johnson, CDF director of programs and policy. "But cutting programs that prevent homelessness, provide help to families in crisis, and give assistance to elderly and disabled immigrants is not the answer. We must change current budget rules that stymie efforts to move parents into the workforce and lift children and families out of poverty."



Children's Defense Fund

May 20, 1994

Mary Jo Bane, Assistant Secretary
for the Administration for Children and Families
David Ellwood, Assistant Secretary
for Planning and Evaluation
Bruce Reed, Deputy Assistant to the President
for Domestic Policy
Co-Chairs, Working Group on Welfare Reform,
Family Support and Independence
Washington, D.C. 20500

Dear Mary Jo, David and Bruce:

Thank you for soliciting our comments on three parts of the latest draft of the Working Group's welfare reform plan. Although there are some aspects of the plan that are encouraging, we are deeply troubled by a number of provisions, especially the child exclusion, child care, and earned income disregard proposals. Below is a brief summary of our concerns.

Child exclusion or "family cap" (pages 9-10): We continue to oppose child exclusion options because they hurt very poor children. Child exclusion provisions appeal to a false stereotype that AFDC families have more children than non-AFDC families or that AFDC mothers have more children to receive an average of \$69 per month in additional benefits. Research by sociologist Mark Rank shows that women receiving welfare in fact bear fewer children than women not receiving welfare. We urge you to drop this provision from the President's plan.

Child care (pages 15-17): We assume the plan continues the guarantee of child care assistance included in the Family Support Act for all parents regardless of their age, whether they are participating in JOBS or in self-initiated activities. We want to emphasize that we continue to strongly believe that significant new funding for child care assistance for the working poor must accompany any welfare reform plan. If we are going to make work pay, child care assistance cannot be solely tied to receipt of AFDC. We continue to believe that allowing a statewide limit which is less than the 75th percentile of the market and retaining the disregard creates strong incentives to provide less than optimal care for our poorest children.

Page Two
May 20, 1994

We do welcome attempts to improve the match both for "At-Risk" child care and for JOBS child care and TCC. The Working Group is to be commended for setting aside funds for quality and supply both in the "At-Risk" Program and through establishing that licensing and monitoring of IV-A-funded child care providers is an allowable administrative cost. Making Title IV-A requirements consistent with the CCDBG requirements is a good step especially regarding health and safety standards. We would like clarification, however, on the requirements concerning sliding fee scale. We assume that the plan does not mean to impose a sliding fee scale on JOBS recipients and simply means that TCC, "At-Risk", and CCDBG sliding fee scales should be the same. We do believe that seamless policy would even be furthered if the CCDBG were made an entitlement and extended since it is the program around which states have built their core child care policies.

Earned income disregard (page 21): We are extremely disappointed in the proposed earned income disregard provision. Your current language would allow states to provide a smaller earned income disregard than under current law. While we also want to give states the flexibility to raise their earned income disregard beyond the minimum, it is unconscionable for states to be allowed to treat working AFDC parents worse than under current law. We had at minimum expected that any proposal designed to make work pay would make the disregard of the remaining one-third of earnings permanent rather than expiring after only four months, as in current law.

Time-limits and teenagers (page 10): We applaud your inclusion of case management services to teenagers, in recognition of their more intensive need for services as compared to most older mothers on the AFDC caseload. However, we oppose applying the two-year clock to 18- and 19-year-old parents. They are far more likely to need more than two years to be ready for work, both because they will need more years of education and training, and because their children will be very young.

Minor parents living at home; case management (pages 8-11): We remain concerned that minor parents will be protected from abusive living situations only if their case managers have a small enough caseload to make good decisions. We strongly agree with legislative specification (c) on page 11 requiring sufficiently small case manager-to-client ratios to protect these young families, and hope this language will be clear in the final version.

AFDC-UP (pages 22-23): Arbitrary restrictions on assistance to two-parent families are anti-family and anti-work. We are surprised, therefore, to see that states would not be required to eliminate any of the special eligibility requirements for the AFDC-UP program. We are also very troubled that all states would not be required to have a year-round AFDC-UP program.

Page Three
May 20, 1994

Essential person (pages 23-24): We oppose limiting the essential person provision which would eliminate longstanding state discretion to provide assistance to individuals the state determines are providing essential help. This proposed restriction flies in the face of your stated desire to strengthen families and to give states the flexibility to meet families' needs.

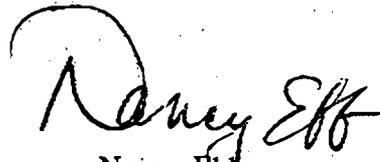
Fill-the-gap (page 33): We strongly support your provision giving states the option to establish fill-the-gap policies that include child support payments. We oppose, however, your proposals to repeal section 402(a)(28), thereby allowing states to eliminate this policy where it currently applies. This would disadvantage families currently receiving child support in those states and contradict your policy of encouraging and rewarding responsible child support behavior.

Lump sum payments (page 31): We commend you for your provisions (a) and (c) on lump sum payments. We are concerned, however, that provision (b) would require lump sum payments earmarked for future costs to be spent within one year from the date of receipt. This does not make sense when applied to a lump sum providing for future costs for an extended period. For example, it would preclude a lump sum for medical services not covered by Medicaid that predictably will be incurred over a span of years as a result of an injury to a child. We understand it is not your intention to restrict expenditures over time for these purposes, but we are concerned about difficulties in tracking the lump sum payment over more than one year. An alternative might be to allow such funds to be held in an Individual Development Account (IDA), comparable to your description in the proposed legislative specifications.

Thank you again for the opportunity to provide comments on the Working Group's welfare plan. Please let us know if we can provide any additional information.

Sincerely,

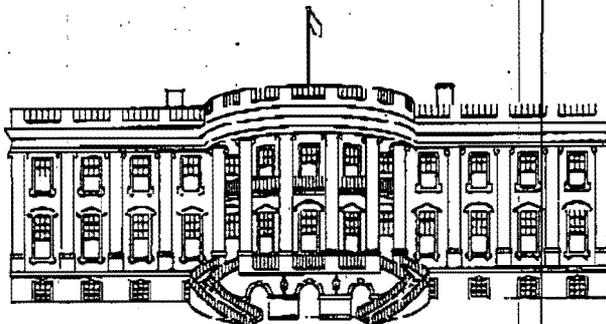

Deborah Weinstein
Director


Nancy Ebb
Senior Staff Attorney


David S. Kass
Senior Program Associate

WR-
CDF

The White House Office of Presidential Letters and Messages



Facsimile from Diane Ikemiyashiro
Voice: (202) 456-5519; FAX: (202) 456-2806

No. of Pages (including cover): 6 Date: 8-14-95

To: Diana Reed

Voice: 6-5515 Fax: 6-5557

Comments: Per my e-mail message - Here are the
incoming letters from MW Feb 1995. I also sent you
a BC letter that was written to M.W.E. in February just
for your info.

Letter

1. 662-3588

TN

97954198

P. 02

1. ~~MOOSE~~ DIET
PACKWOOD WELFARE
REFORM

9/8/1. ON
NB
2. PMS



2. Letter 2 ON
% OF KIDS IN
POVERTY FROM
2 PARENT HOMES.

August 3, 1995

Handwritten: J. P. ...
M. W. Edelman

NOT SEEN
8-11-95

8-14-95

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500-2000

Dear Mr. President:

As I was on the verge of sending the enclosed letter about your recent Georgetown speech, I had the opportunity to read the text of your NGA speech on welfare. Your comments on the importance of maintaining state investments in welfare programs and on the need for child care to move families from welfare to work were wonderful. Your role in explaining that we can provide far greater flexibility to states while preserving the basic AFDC entitlement continues to be tremendously important.

I cannot overstate once again how crucial it is for you to speak out forcefully this next week in opposition to the Dole-Packwood welfare plan moving forward in the Senate. As you have so eloquently explained in the context of food stamps and Medicaid, block grants simply shift responsibilities and risks to the states without assuring that they have the resources necessary to do the job of getting parents into the workforce while protecting children. In AFDC as well as these other areas, your leadership now is essential to prevent the shredding of the federal guaranteed safety net for children.

Sincerely yours,

Handwritten signature of Marian Wright Edelman

Marian Wright Edelman

Handwritten: CC Jim
Dorskind

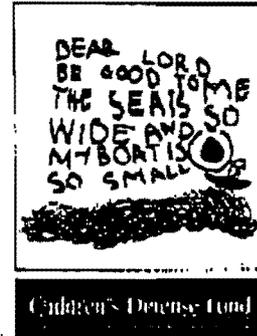
Enclosure

Jim Dorskind

Please coordinate
the reply.

25 E Street, NW
Washington, DC 20001
Telephone 202 628 1787
Fax 202 662 2510

August 3, 1995



President William Jefferson Clinton
 The White House
 1600 Pennsylvania Avenue
 Washington, D.C. 20500-2000

Dear Mr. President:

I greatly enjoyed reading your July 6th speech at Georgetown University. Your efforts to weave together the themes of personal responsibility and community responsibility are exactly on point. Your leadership in articulating a basis for making family well-being central to both public and private life in this nation is very welcome.

I would like, however, to take the liberty of arguing one point. In the speech you said that "[t]he truth is that if every child in this country [had] both parents contributing to his support and nourishment and emotional stability and education and future, we'd have almost no poor kids, instead of having over 20 percent of our children born in poverty".

Single-parent families do face enormous challenges, and as a society we should take far-reaching measures to assure that far fewer children live in single-parent families. But single-parent families are not the cause of most childhood poverty, according to the evidence we have seen. Even in married-couple homes, about one in nine children (12 percent) is poor. Nearly six million children—more than one-third of America's poor children—lived in such a two-parent family in 1993. And many other poor children come from single-parent families that are so far down the economic ladder that they would be poor even if the mother were married to the (often low-income) father. Donald J. Hernandez, head of the Census Bureau's Marriage and Family Statistics branch, estimates overall child poverty rates would be about two thirds as large as they are now even if all fathers who do not live with their wives and children were reunited with them.

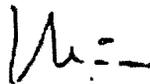
Because so much child poverty is being driven by the low incomes of both parents and by the broader job and wage problems of our society, your minimum wage, earned income credit, welfare reform, education and training and other initiatives aimed at raising the incomes of the bottom third of American workers have been and remain crucial to children's well-being. The marriage rates of young adults are driven down by economic as

25 E Street, NW
 Washington, DC 20001
 Telephone 202 628 8787
 Fax 202 662 3510

President William Jefferson Clinton
August 3, 1995
Page Two

well as cultural factors. Ben Franklin correctly remarked a long time ago that "The number of marriages...is greater in proportion to the ease and convenience of supporting a family. When families can be easily supported, more persons marry, and earlier in life."

Sincerely yours,



Marian Wright Edelman

THE CHILDREN'S DEFENSE FUND
23 E STREET, NW
WASHINGTON, D.C. 20001
202/628-8787

TO: President Clinton

FROM: Marian Wright Edelman

FAX: 395-4198

DATE: August 4, 1995

NUMBER OF PAGES INCLUDING COVER: 4

IF ANY PROBLEM WITH TRANSMISSION, PLEASE CALL: 202-662-3506

COMMENTS:

THE WHITE HOUSE

WASHINGTON

February 21, 1995

Ms. Marian Wright Edelman
President
Children's Defense Fund
25 E Street, N.W.
Washington, D.C. 20001

Dear Marian:

Thanks for your letter of January 30, which I've shared with Carol Rasco and her staff.

I thought you might appreciate the enclosed copy of a letter Secretary Shalala recently sent to Chairman of the House Subcommittee on Human Resources Clay Shaw. It is very important that we reform welfare in ways that promote work, family, and responsibility -- not ways that punish children for their parents' mistakes. This debate should be about lifting people up, not tearing them down.

Hillary and I remain truly grateful for all of your support and for your friendship. Keep in touch.

Sincerely,

IMPACT OF HOUSE BILL ON CHILDREN IN THE NATION

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON THE NATION'S ECONOMY

The following projections show some of the funds the United States could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$510 million (8.8%) would be lost in **school lunch subsidies**.³
- \$612 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$3.2 billion (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$1.1 billion (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$2.6 billion (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$5.6 billion (18%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates the bill will cut funding by **\$69.4 billion**.

IMPACT ON THE NATION'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in the United States would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 2,218,950 children would lose federally-subsidized **school lunches**.⁹
- ◆ 377,680 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 1,335,400 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 6.1 million children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 14.2 million children receiving **food stamps**, average benefits would decline by about 18% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 157,472 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 348,100 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on the United States's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because the United States received 100% of all U.S. school lunch funding in FY 1993, CDF projected that the United States would absorb about the same share of that nationwide cut— or \$ million— in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for the United States shown here.) Because the United States received 100% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$3,200 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because the United States received 100% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$1,100 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because the United States received 100% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$2,600.0 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated the United States's FY 2000 cut by first using the USDA data to determine that the United States's share of the nationwide cut in fiscal years 1997-2000 is 100%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 2,218,950 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in the United States in FY 1994 (25,215,204).

¹⁰ HHS calculated 377,680 by dividing the United States's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in the United States in 1993 (9,538,576). The number made ineligible by 2005 was calculated by HHS based on state-by-state AFDC quality control data.

¹² 14,195,859 children received food stamps in FY 1993. As noted above, funds will decrease by about 18%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 892,543 children who received SSI in the United States in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN ALABAMA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON ALABAMA'S ECONOMY

The following projections show some of the funds Alabama could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$12.1 million (8.8%) would be lost in **school lunch subsidies**.³
- \$11.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$94.6 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$20.2 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$21.8 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$78.6 million (12%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Alabama will lose **\$828 million** under the bill.

IMPACT ON ALABAMA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Alabama would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 48,500 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,970 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 14,000 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 58,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 288,000 children receiving **food stamps**, average benefits would decline by about 12% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 4,793 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 10,500 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Alabama's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Alabama received 2.36% of all U.S. school lunch funding in FY 1993, CDF projected that Alabama would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Alabama shown here.) Because Alabama received 2.97% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$94.6 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Alabama received 1.83% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$20.2 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Alabama received 0.66% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$21.8 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Alabama's FY 2000 cut by first using the USDA data to determine that Alabama's share of the nationwide cut in fiscal years 1997-2000 is 1.39%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 48,500 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Alabama in FY 1994 (551,152).

¹⁰ HHS calculated 6,970 by dividing Alabama's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Alabama in 1993 (100,115). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Alabama.

¹² 287,848 children received food stamps in FY 1993. As noted above, funds will decrease by about 12%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 26,890 children who received SSI in Alabama in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN ALASKA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON ALASKA'S ECONOMY

The following projections show some of the funds Alaska could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$1.4 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.5 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$3.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$4.3 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$14.1 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$8.1 million (12%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Alaska will lose **\$142 million** under the bill.

IMPACT ON ALASKA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Alaska would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 4,000 children would lose federally-subsidized **school lunches**⁹
- ◆ 930 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 3,250 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 13,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 24,000 children receiving **food stamps**, average benefits would decline by about 12% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 117 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 300 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Alaska's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Alaska received 0.28% of all U.S. school lunch funding in FY 1993, CDF projected that Alaska would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Alaska shown here.) Because Alaska received 0.09% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$3.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Alaska received 0.39% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$4.3 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Alaska received 0.43% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$14.1 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Alaska's FY 2000 cut by first using the USDA data to determine that Alaska's share of the nationwide cut in fiscal years 1997-2000 is 0.14%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 4,000 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Alaska in FY 1994 (45,223).

¹⁰ HHS calculated 930 by dividing Alaska's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Alaska in 1993 (23,049). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Alaska.

¹² 23,974 children received food stamps in FY 1993. As noted above, funds will decrease by about 12%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 821 children who received SSI in Alaska in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN ARIZONA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON ARIZONA'S ECONOMY

The following projections show some of the funds Arizona could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$8.8 million (8.8%) would be lost in **school lunch subsidies**.³
- \$10.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$36.4 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$19.8 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$47.3 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$95.0 million (17%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Arizona will lose **\$922 million** under the bill.

IMPACT ON ARIZONA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Arizona would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 33,150 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,350 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 18,750 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 73,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 268,000 children receiving **food stamps**, average benefits would decline by about 17% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 1,291 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 4,100 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Arizona's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Arizona received 1.73% of all U.S. school lunch funding in FY 1993, CDF projected that Arizona would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Arizona shown here.) Because Arizona received 1.14% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$36.4 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Arizona received 1.80% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$19.8 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Arizona received 1.43% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$47.3 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Arizona's FY 2000 cut by first using the USDA data to determine that Arizona's share of the nationwide cut in fiscal years 1997-2000 is 1.68%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 33,150 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Arizona in FY 1994 (376,508).

¹⁰ HHS calculated 6,350 by dividing Arizona's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Arizona in 1993 (134,054). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Arizona.

¹² 268,442 children received food stamps in FY 1993. As noted above, funds will decrease by about 17%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 10,564 children who received SSI in Arizona in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN ARKANSAS

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON ARKANSAS'S ECONOMY

The following projections show some of the funds Arkansas could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$6.3 million (8.8%) would be lost in **school lunch subsidies**.³
- \$4.6 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$63.5 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$14.3 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$11.4 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$36.0 million (12%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Arkansas will lose **\$575 million** under the bill.

IMPACT ON ARKANSAS'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Arkansas would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 27,500 children would lose federally-subsidized **school lunches**⁹
- ◆ 2,840 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 7,250 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 31,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 141,000 children receiving **food stamps**, average benefits would decline by about 12% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 5,479 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 7,200 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Arkansas's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Arkansas received 1.24% of all U.S. school lunch funding in FY 1993, CDF projected that Arkansas would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Arkansas shown here.) Because Arkansas received 1.99% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut—or \$63.5 million—in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Arkansas received 1.30% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut—or \$14.3 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Arkansas received 0.35% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut—or \$11.4 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Arkansas's FY 2000 cut by first using the USDA data to determine that Arkansas's share of the nationwide cut in fiscal years 1997-2000 is 0.64%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 27,500 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Arkansas in FY 1994 (312,411).

¹⁰ HHS calculated 2,840 by dividing Arkansas's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Arkansas in 1993 (51,815). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Arkansas.

¹² 141,257 children received food stamps in FY 1993. As noted above, funds will decrease by about 12%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 18,493 children who received SSI in Arkansas in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN CALIFORNIA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON CALIFORNIA'S ECONOMY

The following projections show some of the funds California could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$65.8 million (8.8%) would be lost in **school lunch subsidies**.³
- \$53.7 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$288.1 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$132.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$720.7 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$719.4 million (24%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates California will lose **\$15.2 billion** under the bill.

IMPACT ON CALIFORNIA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in California would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 200,000 children would lose federally-subsidized **school lunches**⁹
- ◆ 33,130 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 238,650 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 1.26 million children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 1.9 million children receiving **food stamps**, average benefits would decline by about 24% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 5,989 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 26,350 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on California's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because California received 12.89% of all U.S. school lunch funding in FY 1993, CDF projected that California would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for California shown here.) Because California received 9.03% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$288.1 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because California received 12.05% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$132.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because California received 21.84% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$720.7 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated California's FY 2000 cut by first using the USDA data to determine that California's share of the nationwide cut in fiscal years 1997-2000 is 12.76%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 200,000 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in California in FY 1994 (2,272,785).

¹⁰ HHS calculated 33,130 by dividing California's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in California in 1993 (1,704,516). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for California.

¹² 1,931,912 children received food stamps in FY 1993. As noted above, funds will decrease by about 24%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 67,505 children who received SSI in California in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN COLORADO

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON COLORADO'S ECONOMY

The following projections show some of the funds Colorado could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$5.0 million (8.8%) would be lost in **school lunch subsidies**.³
- \$6.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$30.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$21.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$24.4 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$51.2 million (16%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Colorado will lose **\$557 million** under the bill.

IMPACT ON COLORADO'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Colorado would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 25,800 children would lose federally-subsidized **school lunches**⁹
- ◆ 3,890 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 11,600 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 45,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 148,000 children receiving **food stamps**, average benefits would decline by about 16% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 752 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 3,500 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Colorado's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Colorado received 0.98% of all U.S. school lunch funding in FY 1993, CDF projected that Colorado would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Colorado shown here.) Because Colorado received 0.94% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$30.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Colorado received 1.95% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$21.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Colorado received 0.74% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$24.4 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Colorado's FY 2000 cut by first using the USDA data to determine that Colorado's share of the nationwide cut in fiscal years 1997-2000 is 0.91%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 25,800 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Colorado in FY 1994 (293,349).

¹⁰ HHS calculated 3,890 by dividing Colorado's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Colorado in 1993 (82,700). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Colorado.

¹² 147,542 children received food stamps in FY 1993. As noted above, funds will decrease by about 16%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 8,970 children who received SSI in Colorado in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN CONNECTICUT

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON CONNECTICUT'S ECONOMY

The following projections show some of the funds Connecticut could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$4.1 million (8.8%) would be lost in **school lunch subsidies**.³
- \$7.0 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$17.6 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$9.4 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$45.9 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$44.4 million (22%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Connecticut will lose **\$502 million** under the bill.

IMPACT ON CONNECTICUT'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Connecticut would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 19,850 children would lose federally-subsidized **school lunches**.⁹
- ◆ 4,320 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 15,150 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 64,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 117,000 children receiving **food stamps**, average benefits would decline by about 22% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 739 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 1,950 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Connecticut's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Connecticut received 0.81% of all U.S. school lunch funding in FY 1993, CDF projected that Connecticut would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Connecticut shown here.) Because Connecticut received 0.55% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut—or \$17.6 million—in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Connecticut received 0.86% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut—or \$9.4 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Connecticut received 1.39% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut—or \$45.9 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Connecticut's FY 2000 cut by first using the USDA data to determine that Connecticut's share of the nationwide cut in fiscal years 1997-2000 is 0.79%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 19,850 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Connecticut in FY 1994 (225,598).

¹⁰ HHS calculated 4,320 by dividing Connecticut's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Connecticut in 1993 (108,248). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Connecticut.

¹² 117,334 children received food stamps in FY 1993. As noted above, funds will decrease by about 22%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 5,000 children who received SSI in Connecticut in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN DELAWARE

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON DELAWARE'S ECONOMY

The following projections show some of the funds Delaware could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$1.1 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.9 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$6.6 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$5.9 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$6.0 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$9.9 million (15%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Delaware will lose **\$109 million** under the bill.

IMPACT ON DELAWARE'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Delaware would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 5,600 children would lose federally-subsidized **school lunches**⁹
- ◆ 1,170 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 2,600 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 13,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 31,000 children receiving **food stamps**, average benefits would decline by about 15% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 205 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 750 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Delaware's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Delaware received 0.21% of all U.S. school lunch funding in FY 1993, CDF projected that Delaware would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Delaware shown here.) Because Delaware received 0.21% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$6.6 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Delaware received 0.53% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$5.9 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Delaware received 0.18% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$6.0 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Delaware's FY 2000 cut by first using the USDA data to determine that Delaware's share of the nationwide cut in fiscal years 1997-2000 is 0.18%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 5,600 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Delaware in FY 1994 (63,515).

¹⁰ HHS calculated 1,170 by dividing Delaware's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Delaware in 1993 (18,662). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Delaware.

¹² 31,113 children received food stamps in FY 1993. As noted above, funds will decrease by about 15%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 1,953 children who received SSI in Delaware in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN WASHINGTON, D.C.

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON WASHINGTON, D.C.'S ECONOMY

The following projections show some of the funds the District could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$1.4 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.8 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$8.7 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$2.3 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$17.6 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$18.0 million (16%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates the District will lose **\$153 million** under the bill.

IMPACT ON WASHINGTON, D.C.'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in the District would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 4,150 children would lose federally-subsidized **school lunches**.⁹
- ◆ 1,110 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 6,400 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 33,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 48,000 children receiving **food stamps**, average benefits would decline by about 16% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 307 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 950 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on the District's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because the District received 0.28% of all U.S. school lunch funding in FY 1993, CDF projected that the District would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for the District shown here.) Because the District received 0.27% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$8.7 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because the District received 0.20% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$2.3 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because the District received 0.53% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$17.6 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated the District's FY 2000 cut by first using the USDA data to determine that the District's share of the nationwide cut in fiscal years 1997-2000 is 0.32%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 4,150 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in the District in FY 1994 (47,061).

¹⁰ HHS calculated 1,110 by dividing the District's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in the District in 1993 (45,863). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for the District.

¹² 48,102 children received food stamps in FY 1993. As noted above, funds will decrease by about 16%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 2,476 children who received SSI in the District in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN FLORIDA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON FLORIDA'S ECONOMY

The following projections show some of the funds Florida could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$30.4 million (8.8%) would be lost in **school lunch subsidies**.³
- \$25.7 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$182.9 million (39%) would be lost in SSI (Supplemental Security Income) for disabled children.⁵
- \$36.0 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$122.5 million (14%) would be lost in AFDC cash assistance and "welfare-to-work" programs.⁷
- \$346.5 million (19%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Florida will lose **\$3.9 billion** under the bill.

IMPACT ON FLORIDA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Florida would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 103,500 children would lose federally-subsidized **school lunches**⁹
- ◆ 15,850 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 66,800 children would lose AFDC in FY 2000 because of funding cuts. (In addition, by FY 2005, 253,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 789,000 children receiving **food stamps**, average benefits would decline by about 19% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 5,545 disabled children immediately would lose eligibility for cash SSI, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 20,000 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Florida's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Florida received 5.95% of all U.S. school lunch funding in FY 1993, CDF projected that Florida would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Florida shown here.) Because Florida received 5.73% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$182.9 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Florida received 3.27% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$36.0 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Florida received 3.71% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$122.5 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Florida's FY 2000 cut by first using the USDA data to determine that Florida's share of the nationwide cut in fiscal years 1997-2000 is 6.14%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 103,500 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Florida in FY 1994 (1,176,410).

¹⁰ HHS calculated 15,850 by dividing Florida's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Florida in 1993 (477,127). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Florida.

¹² 789,136 children received food stamps in FY 1993. As noted above, funds will decrease by about 19%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 51,292 children who received SSI in Florida in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN GEORGIA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON GEORGIA'S ECONOMY

The following projections show some of the funds Georgia could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$19.4 million (8.8%) would be lost in **school lunch subsidies**.³
- \$21.2 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$89.2 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$21.2 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$74.3 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$118.3 million (13%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Georgia will lose **\$1.0 billion** under the bill.

IMPACT ON GEORGIA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Georgia would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 84,500 children would lose federally-subsidized **school lunches**⁹
- ◆ 13,080 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 38,700 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 180,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 417,000 children receiving **food stamps**, average benefits would decline by about 13% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 2,482 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 10,100 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Georgia's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Georgia received 3.81% of all U.S. school lunch funding in FY 1993, CDF projected that Georgia would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Georgia shown here.) Because Georgia received 2.80% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$89.2 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Georgia received 1.93% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$21.2 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Georgia received 2.25% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$74.3 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Georgia's FY 2000 cut by first using the USDA data to determine that Georgia's share of the nationwide cut in fiscal years 1997-2000 is 2.10%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 84,500 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Georgia in FY 1994 (960,501).

¹⁰ HHS calculated 13,080 by dividing Georgia's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Georgia in 1993 (276,356). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Georgia.

¹² 417,471 children received food stamps in FY 1993. As noted above, funds will decrease by about 13%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 25,940 children who received SSI in Georgia in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN HAWAII

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON HAWAII'S ECONOMY

The following projections show some of the funds Hawaii could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$2.3 million (8.8%) would be lost in **school lunch subsidies**.³
- \$2.0 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$2.7 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$4.0 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$17.8 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$26.7 million (15%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Hawaii will lose **\$328 million** under the bill.

IMPACT ON HAWAII'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Hawaii would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 12,250 children would lose federally-subsidized **school lunches**.⁹
- ◆ 1,230 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 5,200 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 23,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 50,000 children receiving **food stamps**, average benefits would decline by about 15% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 46 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 300 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Hawaii's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Hawaii received 0.45% of all U.S. school lunch funding in FY 1993, CDF projected that Hawaii would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Hawaii shown here.) Because Hawaii received 0.09% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$2.7 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Hawaii received 0.36% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$4.0 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Hawaii received 0.54% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$17.8 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Hawaii's FY 2000 cut by first using the USDA data to determine that Hawaii's share of the nationwide cut in fiscal years 1997-2000 is 0.47%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 12,250 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Hawaii in FY 1994 (139,326).

¹⁰ HHS calculated 1,230 by dividing Hawaii's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Hawaii in 1993 (37,197). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Hawaii.

¹² 49,655 children received food stamps in FY 1993. As noted above, funds will decrease by about 15%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 821 children who received SSI in Hawaii in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN IDAHO

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON IDAHO'S ECONOMY

The following projections show some of the funds Idaho could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$2.4 million (8.8%) would be lost in **school lunch subsidies**.³
- \$2.4 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$11.6 million (39%) would be lost in SSI (Supplemental Security Income) for disabled children.⁵
- \$3.3 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$5.1 million (14%) would be lost in AFDC cash assistance and "welfare-to-work" programs.⁷
- \$13.4 million (17%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Idaho will lose **\$150 million** under the bill.

IMPACT ON IDAHO'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Idaho would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 12,500 children would lose federally-subsidized **school lunches**⁹
- ◆ 1,480 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 2,000 children would lose AFDC in FY 2000 because of funding cuts. (In addition, by FY 2005, 7,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 42,000 children receiving **food stamps**, average benefits would decline by about 17% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 966 disabled children immediately would lose eligibility for cash SSI, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 1,350 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Idaho's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Idaho received 0.48% of all U.S. school lunch funding in FY 1993, CDF projected that Idaho would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Idaho shown here.) Because Idaho received 0.36% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$11.6 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Idaho received 0.30% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$3.3 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Idaho received 0.15% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$5.1 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Idaho's FY 2000 cut by first using the USDA data to determine that Idaho's share of the nationwide cut in fiscal years 1997-2000 is 0.24%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 12,500 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Idaho in FY 1994 (142,029).

¹⁰ HHS calculated 1,480 by dividing Idaho's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Idaho in 1993 (14,222). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Idaho.

¹² 42,125 children received food stamps in FY 1993. As noted above, funds will decrease by about 17%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 3,464 children who received SSI in Idaho in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN ILLINOIS

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON ILLINOIS'S ECONOMY

The following projections show some of the funds Illinois could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$16.4 million (8.8%) would be lost in **school lunch subsidies**.³
- \$22.1 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$161.1 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$39.2 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$115.4 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$259.6 million (18%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Illinois will lose **\$2.9 billion** under the bill.

IMPACT ON ILLINOIS'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Illinois would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 81,800 children would lose federally-subsidized **school lunches**⁹
- ◆ 13,630 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 66,150 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 321,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 612,000 children receiving **food stamps**, average benefits would decline by about 18% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 9,738 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 18,300 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Illinois's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Illinois received 3.21% of all U.S. school lunch funding in FY 1993, CDF projected that Illinois would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Illinois shown here.) Because Illinois received 5.05% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$161.1 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Illinois received 3.57% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$39.2 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Illinois received 3.50% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$115.4 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Illinois's FY 2000 cut by first using the USDA data to determine that Illinois's share of the nationwide cut in fiscal years 1997-2000 is 4.60%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 81,800 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Illinois in FY 1994 (929,378).

¹⁰ HHS calculated 13,630 by dividing Illinois's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Illinois in 1993 (472,425). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Illinois.

¹² 612,143 children received food stamps in FY 1993. As noted above, funds will decrease by about 18%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 46,957 children who received SSI in Illinois in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN INDIANA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON INDIANA'S ECONOMY

The following projections show some of the funds Indiana could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$8.2 million (8.8%) would be lost in **school lunch subsidies**.³
- \$12.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$61.3 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$17.1 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$40.6 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$79.2 million (14%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Indiana will lose **\$821 million** under the bill.

IMPACT ON INDIANA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Indiana would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 52,450 children would lose federally-subsidized **school lunches**⁹
- ◆ 7,590 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 19,650 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 88,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 257,000 children receiving **food stamps**, average benefits would decline by about 14% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 3,777 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 7,200 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Indiana's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Indiana received 1.60% of all U.S. school lunch funding in FY 1993, CDF projected that Indiana would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Indiana shown here.) Because Indiana received 1.92% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$61.3 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Indiana received 1.55% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$17.1 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Indiana received 1.23% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$40.6 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Indiana's FY 2000 cut by first using the USDA data to determine that Indiana's share of the nationwide cut in fiscal years 1997-2000 is 1.40%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 52,450 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Indiana in FY 1994 (596,264).

¹⁰ HHS calculated 7,590 by dividing Indiana's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Indiana in 1993 (140,252). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Indiana.

¹² 256,511 children received food stamps in FY 1993. As noted above, funds will decrease by about 14%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 18,464 children who received SSI in Indiana in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN IOWA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON IOWA'S ECONOMY

The following projections show some of the funds Iowa could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$4.6 million (8.8%) would be lost in **school lunch subsidies**.³
- \$4.8 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$23.1 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$12.0 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$25.1 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$30.1 million (15%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Iowa will lose **\$360 million** under the bill.

IMPACT ON IOWA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Iowa would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 33,550 children would lose federally-subsidized **school lunches**⁹
- ◆ 2,960 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 9,250 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 39,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 97,000 children receiving **food stamps**, average benefits would decline by about 15% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 1,196 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 2,850 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Iowa's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Iowa received 0.90% of all U.S. school lunch funding in FY 1993, CDF projected that Iowa would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Iowa shown here.) Because Iowa received 0.72% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$23.1 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Iowa received 1.09% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$12.0 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Iowa received 0.76% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$25.1 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Iowa's FY 2000 cut by first using the USDA data to determine that Iowa's share of the nationwide cut in fiscal years 1997-2000 is 0.53%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 33,550 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Iowa in FY 1994 (381,306).

¹⁰ HHS calculated 2,960 by dividing Iowa's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Iowa in 1993 (66,157). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Iowa.

¹² 96,760 children received food stamps in FY 1993. As noted above, funds will decrease by about 15%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 7,289 children who received SSI in Iowa in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN KANSAS

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON KANSAS'S ECONOMY

The following projections show some of the funds Kansas could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$5.0 million (8.8%) would be lost in **school lunch subsidies**.³
- \$6.4 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$25.5 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$28.1 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$20.8 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$37.6 million (19%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Kansas will lose **\$441 million** under the bill.

IMPACT ON KANSAS'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Kansas would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 27,000 children would lose federally-subsidized **school lunches**.⁹
- ◆ 3,950 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 8,300 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 36,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 93,000 children receiving **food stamps**, average benefits would decline by about 19% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 1,625 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 3,000 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Kansas's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Kansas received 0.98% of all U.S. school lunch funding in FY 1993, CDF projected that Kansas would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Kansas shown here.) Because Kansas received 0.80% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$25.5 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Kansas received 2.55% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$28.1 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Kansas received 0.63% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$20.8 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Kansas's FY 2000 cut by first using the USDA data to determine that Kansas's share of the nationwide cut in fiscal years 1997-2000 is 0.67%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 27,000 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Kansas in FY 1994 (306,595).

¹⁰ HHS calculated 3,950 by dividing Kansas's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Kansas in 1993 (59,205). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Kansas.

¹² 92,965 children received food stamps in FY 1993. As noted above, funds will decrease by about 19%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 7,670 children who received SSI in Kansas in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN KENTUCKY

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON KENTUCKY'S ECONOMY

The following projections show some of the funds Kentucky could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$10.2 million (8.8%) would be lost in **school lunch subsidies**.³
- \$10.6 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$73.4 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$13.2 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$41.5 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$79.5 million (14%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Kentucky will lose **\$837 million** under the bill.

IMPACT ON KENTUCKY'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Kentucky would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 44,600 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,540 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 20,250 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 89,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 241,000 children receiving **food stamps**, average benefits would decline by about 14% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 5,185 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 7,950 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Kentucky's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Kentucky received 2.00% of all U.S. school lunch funding in FY 1993, CDF projected that Kentucky would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Kentucky shown here.) Because Kentucky received 2.30% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$73.4 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Kentucky received 1.20% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$13.2 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Kentucky received 1.26% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$41.5 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Kentucky's FY 2000 cut by first using the USDA data to determine that Kentucky's share of the nationwide cut in fiscal years 1997-2000 is 1.41%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 44,600 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Kentucky in FY 1994 (506,556).

¹⁰ HHS calculated 6,540 by dividing Kentucky's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Kentucky in 1993 (144,653). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Kentucky.

¹² 240,572 children received food stamps in FY 1993. As noted above, funds will decrease by about 14%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 20,349 children who received SSI in Kentucky in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN LOUISIANA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON LOUISIANA'S ECONOMY

The following projections show some of the funds Louisiana could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$15.1 million (8.8%) would be lost in **school lunch subsidies**.³
- \$11.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$140.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$27.6 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$35.4 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$112.4 million (12%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Louisiana will lose **\$1.4 billion** under the bill.

IMPACT ON LOUISIANA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Louisiana would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 59,000 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,970 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 26,400 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 125,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 410,000 children receiving **food stamps**, average benefits would decline by about 12% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 10,997 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 15,650 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Louisiana's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Louisiana received 2.95% of all U.S. school lunch funding in FY 1993, CDF projected that Louisiana would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Louisiana shown here.) Because Louisiana received 4.39% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$140.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Louisiana received 2.51% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$27.6 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Louisiana received 1.07% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$35.4 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Louisiana's FY 2000 cut by first using the USDA data to determine that Louisiana's share of the nationwide cut in fiscal years 1997-2000 is 1.99%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 59,000 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Louisiana in FY 1994 (670,721).

¹⁰ HHS calculated 6,970 by dividing Louisiana's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Louisiana in 1993 (188,492). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Louisiana.

¹² 410,456 children received food stamps in FY 1993. As noted above, funds will decrease by about 12%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 40,108 children who received SSI in Louisiana in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN MAINE

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON MAINE'S ECONOMY

The following projections show some of the funds Maine could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$2.0 million (8.8%) would be lost in **school lunch subsidies**.³
- \$2.0 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$8.8 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$7.6 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$17.8 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$23.9 million (15%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Maine will lose **\$211 million** under the bill.

IMPACT ON MAINE'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Maine would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 9,250 children would lose federally-subsidized **school lunches**⁹
- ◆ 1,230 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 5,850 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 30,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 61,000 children receiving **food stamps**, average benefits would decline by about 15% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 170 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 950 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Maine's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Maine received 0.39% of all U.S. school lunch funding in FY 1993, CDF projected that Maine would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Maine shown here.) Because Maine received 0.28% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$8.8 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Maine received 0.69% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$7.6 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Maine received 0.54% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$17.8 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Maine's FY 2000 cut by first using the USDA data to determine that Maine's share of the nationwide cut in fiscal years 1997-2000 is 0.42%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 9,250 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Maine in FY 1994 (105,104).

¹⁰ HHS calculated 1,230 by dividing Maine's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Maine in 1993 (41,941). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Maine.

¹² 61,468 children received food stamps in FY 1993. As noted above, funds will decrease by about 15%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 2,459 children who received SSI in Maine in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN MARYLAND

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON MARYLAND'S ECONOMY

The following projections show some of the funds Maryland could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$6.7 million (8.8%) would be lost in **school lunch subsidies**.³
- \$11.1 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$39.7 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$20.9 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$47.2 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$87.6 million (19%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Maryland will lose **\$953 million** under the bill.

IMPACT ON MARYLAND'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Maryland would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 31,700 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,850 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 20,950 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 92,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 198,000 children receiving **food stamps**, average benefits would decline by about 19% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 1,775 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 4,350 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Maryland's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Maryland received 1.31% of all U.S. school lunch funding in FY 1993, CDF projected that Maryland would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Maryland shown here.) Because Maryland received 1.24% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$39.7 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Maryland received 1.90% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$20.9 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Maryland received 1.43% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$47.2 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Maryland's FY 2000 cut by first using the USDA data to determine that Maryland's share of the nationwide cut in fiscal years 1997-2000 is 1.55%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 31,700 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Maryland in FY 1994 (359,947).

¹⁰ HHS calculated 6,850 by dividing Maryland's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Maryland in 1993 (149,676). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Maryland.

¹² 197,531 children received food stamps in FY 1993. As noted above, funds will decrease by about 19%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 11,180 children who received SSI in Maryland in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN MASSACHUSETTS

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON MASSACHUSETTS'S ECONOMY

The following projections show some of the funds Massachusetts could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$7.8 million (8.8%) would be lost in **school lunch subsidies**.³
- \$16.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$58.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$28.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$102.8 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$96.9 million (21%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Massachusetts will lose **\$1.49 billion** under the bill.

IMPACT ON MASSACHUSETTS'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Massachusetts would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 39,300 children would lose federally-subsidized **school lunches**⁹
- ◆ 10,060 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 29,200 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 131,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 229,000 children receiving **food stamps**, average benefits would decline by about 21% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 2,231 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 5,850 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Massachusetts's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Massachusetts received 1.52% of all U.S. school lunch funding in FY 1993, CDF projected that Massachusetts would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Massachusetts shown here.) Because Massachusetts received 1.82% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$58.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Massachusetts received 2.59% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$28.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Massachusetts received 3.11% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$102.8 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Massachusetts's FY 2000 cut by first using the USDA data to determine that Massachusetts's share of the nationwide cut in fiscal years 1997-2000 is 1.72%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 39,300 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Massachusetts in FY 1994 (446,743).

¹⁰ HHS calculated 10,060 by dividing Massachusetts's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Massachusetts in 1993 (208,651). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Massachusetts.

¹² 229,016 children received food stamps in FY 1993. As noted above, funds will decrease by about 21%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 15,061 children who received SSI in Massachusetts in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN MICHIGAN

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON MICHIGAN'S ECONOMY

The following projections show some of the funds Michigan could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$12.5 million (8.8%) would be lost in **school lunch subsidies**.³
- \$15.2 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$134.9 million (39%) would be lost in SSI (Supplemental Security Income) for disabled children.⁵
- \$37.6 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$169.6 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$193.1 million (16%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Michigan will lose **\$2.1 billion** under the bill.

IMPACT ON MICHIGAN'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Michigan would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 65,300 children would lose federally-subsidized **school lunches**⁹
- ◆ 9,380 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 63,000 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 329,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 513,000 children receiving **food stamps**, average benefits would decline by about 16% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 8,212 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 14,400 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Michigan's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Michigan received 2.45% of all U.S. school lunch funding in FY 1993, CDF projected that Michigan would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Michigan shown here.) Because Michigan received 4.23% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$134.9 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Michigan received 3.42% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$37.6 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Michigan received 5.14% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$169.6 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Michigan's FY 2000 cut by first using the USDA data to determine that Michigan's share of the nationwide cut in fiscal years 1997-2000 is 3.42%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 65,300 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Michigan in FY 1994 (741,849).

¹⁰ HHS calculated 9,380 by dividing Michigan's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Michigan in 1993 (449,909). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Michigan.

¹² 513,005 children received food stamps in FY 1993. As noted above, funds will decrease by about 16%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 36,880 children who received SSI in Michigan in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN MINNESOTA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON MINNESOTA'S ECONOMY

The following projections show some of the funds Minnesota could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$4.9 million (8.8%) would be lost in **school lunch subsidies**.³
- \$11.1 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$33.3 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$50.4 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$59.2 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$61.8 million (19%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Minnesota will lose **\$852 million** under the bill.

IMPACT ON MINNESOTA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Minnesota would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 45,350 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,850 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 17,600 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 79,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 172,000 children receiving **food stamps**, average benefits would decline by about 19% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 1,851 disabled children immediately would lose eligibility for cash SSI, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 3,950 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Minnesota's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Minnesota received 0.96% of all U.S. school lunch funding in FY 1993, CDF projected that Minnesota would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Minnesota shown here.) Because Minnesota received 1.05% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$33.3 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Minnesota received 4.58% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$50.4 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Minnesota received 1.80% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$59.2 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Minnesota's FY 2000 cut by first using the USDA data to determine that Minnesota's share of the nationwide cut in fiscal years 1997-2000 is 1.10%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 45,350 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Minnesota in FY 1994 (515,387).

¹⁰ HHS calculated 6,850 by dividing Minnesota's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Minnesota in 1993 (125,843). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Minnesota.

¹² 171,796 children received food stamps in FY 1993. As noted above, funds will decrease by about 19%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 10,160 children who received SSI in Minnesota in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN MISSISSIPPI

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON MISSISSIPPI'S ECONOMY

The following projections show some of the funds Mississippi could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$11.0 million (8.8%) would be lost in **school lunch subsidies**.³
- \$6.6 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$88.1 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$19.3 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$17.5 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$70.5 million (12%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Mississippi will lose **\$789 million** under the bill.

IMPACT ON MISSISSIPPI'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Mississippi would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 35,900 children would lose federally-subsidized **school lunches**⁹
- ◆ 4,070 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 17,400 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 82,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 273,000 children receiving **food stamps**, average benefits would decline by about 12% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 5,673 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 9,650 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Mississippi's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Mississippi received 2.15% of all U.S. school lunch funding in FY 1993, CDF projected that Mississippi would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Mississippi shown here.) Because Mississippi received 2.76% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$88.1 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Mississippi received 1.76% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$19.3 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Mississippi received 0.53% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$17.5 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Mississippi's FY 2000 cut by first using the USDA data to determine that Mississippi's share of the nationwide cut in fiscal years 1997-2000 is 1.25%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 35,900 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Mississippi in FY 1994 (407,983).

¹⁰ HHS calculated 4,070 by dividing Mississippi's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Mississippi in 1993 (124,148). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Mississippi.

¹² 273,355 children received food stamps in FY 1993. As noted above, funds will decrease by about 12%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 24,687 children who received SSI in Mississippi in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN MISSOURI

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON MISSOURI'S ECONOMY

The following projections show some of the funds Missouri could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$11.1 million (8.8%) would be lost in **school lunch subsidies**.³
- \$12.0 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$66.3 million (39%) would be lost in SSI (Supplemental Security Income) for disabled children.⁵
- \$21.9 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$44.3 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$100.9 million (15%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Missouri will lose **\$909 million** under the bill.

IMPACT ON MISSOURI'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Missouri would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 48,850 children would lose federally-subsidized **school lunches**⁹
- ◆ 7,400 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 24,000 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 114,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 291,000 children receiving **food stamps**, average benefits would decline by about 15% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 3,803 disabled children immediately would lose eligibility for cash SSI, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 7,500 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Missouri's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Missouri received 2.18% of all U.S. school lunch funding in FY 1993, CDF projected that Missouri would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Missouri shown here.) Because Missouri received 2.08% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$66.3 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Missouri received 1.99% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$21.9 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Missouri received 1.34% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$44.3 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Missouri's FY 2000 cut by first using the USDA data to determine that Missouri's share of the nationwide cut in fiscal years 1997-2000 is 1.79%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 48,850 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Missouri in FY 1994 (555,113).

¹⁰ HHS calculated 7,400 by dividing Missouri's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Missouri in 1993 (171,302). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Missouri.

¹² 291,197 children received food stamps in FY 1993. As noted above, funds will decrease by about 15%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 19,264 children who received SSI in Missouri in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN MONTANA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON MONTANA'S ECONOMY

The following projections show some of the funds Montana could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$1.7 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.9 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$7.5 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$6.0 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$9.1 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$10.9 million (14%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Montana will lose **\$124 million** under the bill.

IMPACT ON MONTANA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Montana would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 7,650 children would lose federally-subsidized **school lunches**⁹
- ◆ 1,170 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 3,150 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 11,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 34,000 children receiving **food stamps**, average benefits would decline by about 14% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 241 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 850 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Montana's future economic, demographic, and social trends. For example, the Census Bureau projects the state's population will grow faster than the national average. Under current law, federal funding levels respond flexibly to such

changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Montana received 0.34% of all U.S. school lunch funding in FY 1993, CDF projected that Montana would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Montana shown here.) Because Montana received 0.24% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$7.5 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Montana received 0.55% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$6.0 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Montana received 0.27% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$9.1 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Montana's FY 2000 cut by first using the USDA data to determine that Montana's share of the nationwide cut in fiscal years 1997-2000 is 0.19%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 7,650 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Montana in FY 1994 (86,741).

¹⁰ HHS calculated 1,170 by dividing Montana's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Montana in 1993 (22,463). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Montana.

¹² 33,600 children received food stamps in FY 1993. As noted above, funds will decrease by about 14%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 2,208 children who received SSI in Montana in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN NEBRASKA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON NEBRASKA'S ECONOMY

The following projections show some of the funds Nebraska could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$3.1 million (8.8%) would be lost in **school lunch subsidies**.³
- \$5.0 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$12.7 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$17.6 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$15.0 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$14.6 million (13%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Nebraska will lose **\$205 million** under the bill.

IMPACT ON NEBRASKA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Nebraska would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 17,950 children would lose federally-subsidized **school lunches**.⁹
- ◆ 3,080 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 4,600 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 20,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 61,000 children receiving **food stamps**, average benefits would decline by about 13% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 562 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 1,500 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Nebraska's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Nebraska received 0.60% of all U.S. school lunch funding in FY 1993, CDF projected that Nebraska would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Nebraska shown here.) Because Nebraska received 0.40% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$12.7 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Nebraska received 1.60% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$17.6 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Nebraska received 0.45% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$15.0 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Nebraska's FY 2000 cut by first using the USDA data to determine that Nebraska's share of the nationwide cut in fiscal years 1997-2000 is 0.26%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 17,950 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Nebraska in FY 1994 (203,762).

¹⁰ HHS calculated 3,080 by dividing Nebraska's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Nebraska in 1993 (32,700). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Nebraska.

¹² 61,100 children received food stamps in FY 1993. As noted above, funds will decrease by about 13%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 3,892 children who received SSI in Nebraska in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN NEVADA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON NEVADA'S ECONOMY

The following projections show some of the funds Nevada could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$2.0 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.9 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$8.5 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$2.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$6.9 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$21.1 million (18%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Nevada will lose **\$187 million** under the bill.

IMPACT ON NEVADA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Nevada would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 8,200 children would lose federally-subsidized **school lunches**⁹
- ◆ 1,170 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 3,450 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 14,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 55,000 children receiving **food stamps**, average benefits would decline by about 18% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 187 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 950 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Nevada's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Nevada received 0.40% of all U.S. school lunch funding in FY 1993, CDF projected that Nevada would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Nevada shown here.) Because Nevada received 0.27% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$8.5 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Nevada received 0.22% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$2.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Nevada received 0.21% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$6.9 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Nevada's FY 2000 cut by first using the USDA data to determine that Nevada's share of the nationwide cut in fiscal years 1997-2000 is 0.37%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 8,200 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Nevada in FY 1994 (93,192).

¹⁰ HHS calculated 1,170 by dividing Nevada's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Nevada in 1993 (24,501). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Nevada.

¹² 54,651 children received food stamps in FY 1993. As noted above, funds will decrease by about 18%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 2,491 children who received SSI in Nevada in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN NEW HAMPSHIRE

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON NEW HAMPSHIRE'S ECONOMY

The following projections show some of the funds New Hampshire could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$1.3 million (8.8%) would be lost in **school lunch subsidies**.³
- \$2.1 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$5.1 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$2.2 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$7.7 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$11.8 million (18%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates New Hampshire will lose **\$103 million** under the bill.

IMPACT ON NEW HAMPSHIRE'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in New Hampshire would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 7,750 children would lose federally-subsidized **school lunches**⁹
- ◆ 1,300 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 2,650 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 11,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 29,000 children receiving **food stamps**, average benefits would decline by about 18% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 79 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 600 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on New Hampshire's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because New Hampshire received 0.25% of all U.S. school lunch funding in FY 1993, CDF projected that New Hampshire would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for New Hampshire shown here.) Because New Hampshire received 0.16% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$5.1 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because New Hampshire received 0.20% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$2.2 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because New Hampshire received 0.23% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$7.7 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated New Hampshire's FY 2000 cut by first using the USDA data to determine that New Hampshire's share of the nationwide cut in fiscal years 1997-2000 is 0.21%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 7,750 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in New Hampshire in FY 1994 (87,971).

¹⁰ HHS calculated 1,300 by dividing New Hampshire's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in New Hampshire in 1993 (18,755). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for New Hampshire.

¹² 29,209 children received food stamps in FY 1993. As noted above, funds will decrease by about 18%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 1,566 children who received SSI in New Hampshire in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN NEW JERSEY

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON NEW JERSEY'S ECONOMY

The following projections show some of the funds New Jersey could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$10.6 million (8.8%) would be lost in **school lunch subsidies**.³
- \$10.5 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$72.4 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$18.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$88.8 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$124.8 million (18%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates New Jersey will lose **\$1.53 billion** under the bill.

IMPACT ON NEW JERSEY'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in New Jersey would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 44,600 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,480 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 33,350 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 155,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 268,000 children receiving **food stamps**, average benefits would decline by about 18% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 3,173 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 7,900 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on New Jersey's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because New Jersey received 2.07% of all U.S. school lunch funding in FY 1993, CDF projected that New Jersey would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for New Jersey shown here.) Because New Jersey received 2.27% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$72.4 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because New Jersey received 1.68% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$18.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because New Jersey received 2.69% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$88.8 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated New Jersey's FY 2000 cut by first using the USDA data to determine that New Jersey's share of the nationwide cut in fiscal years 1997-2000 is 2.21%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 44,600 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in New Jersey in FY 1994 (506,656).

¹⁰ HHS calculated 6,480 by dividing New Jersey's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in New Jersey in 1993 (238,277). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for New Jersey.

¹² 267,689 children received food stamps in FY 1993. As noted above, funds will decrease by about 18%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 20,222 children who received SSI in New Jersey in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN NEW MEXICO

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON NEW MEXICO'S ECONOMY

The following projections show some of the funds New Mexico could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$4.7 million (8.8%) would be lost in **school lunch subsidies**.³
- \$5.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$21.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$20.6 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$20.9 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$45.3 million (17%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates New Mexico will lose **\$508 million** under the bill.

IMPACT ON NEW MEXICO'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in New Mexico would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 15,300 children would lose federally-subsidized **school lunches**⁹
- ◆ 3,270 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 8,650 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 30,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 132,000 children receiving **food stamps**, average benefits would decline by about 17% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 845 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 2,400 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on New Mexico's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because New Mexico received 0.92% of all U.S. school lunch funding in FY 1993, CDF projected that New Mexico would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for New Mexico shown here.) Because New Mexico received 0.66% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$21.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because New Mexico received 1.87% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$20.6 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because New Mexico received 0.63% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$20.9 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated New Mexico's FY 2000 cut by first using the USDA data to determine that New Mexico's share of the nationwide cut in fiscal years 1997-2000 is 0.80%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 15,300 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in New Mexico in FY 1994 (173,965).

¹⁰ HHS calculated 3,270 by dividing New Mexico's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in New Mexico in 1993 (61,785). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for New Mexico.

¹² 131,698 children received food stamps in FY 1993. As noted above, funds will decrease by about 17%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 6,125 children who received SSI in New Mexico in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN NEW YORK

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON NEW YORK'S ECONOMY

The following projections show some of the funds New York could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$37.8 million (8.8%) would be lost in **school lunch subsidies**.³
- \$37.0 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$271.7 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$62.1 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$412.3 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$698.9 million (28%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates New York will lose **\$8.52 billion** under the bill.

IMPACT ON NEW YORK'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in New York would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 143,050 children would lose federally-subsidized **school lunches**⁹
- ◆ 22,830 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 109,500 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 477,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 965,000 children receiving **food stamps**, average benefits would decline by about 28% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 16,592 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 29,450 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on New York's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because New York received 7.41% of all U.S. school lunch funding in FY 1993, CDF projected that New York would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for New York shown here.) Because New York received 8.52% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$271.7 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because New York received 5.65% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$62.1 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because New York received 12.49% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$412.3 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated New York's FY 2000 cut by first using the USDA data to determine that New York's share of the nationwide cut in fiscal years 1997-2000 is 12.39%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 143,050 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in New York in FY 1994 (1,625,538).

¹⁰ HHS calculated 22,830 by dividing New York's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in New York in 1993 (782,094). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for New York.

¹² 964,858 children received food stamps in FY 1993. As noted above, funds will decrease by about 28%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 75,481 children who received SSI in New York in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN NORTH CAROLINA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON NORTH CAROLINA'S ECONOMY

The following projections show some of the funds North Carolina could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$14.9 million (8.8%) would be lost in **school lunch subsidies**.³
- \$27.7 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$88.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$27.7 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$67.8 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$84.5 million (13%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates North Carolina will lose **\$1.2 billion** under the bill.

IMPACT ON NORTH CAROLINA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in North Carolina would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 66,050 children would lose federally-subsidized **school lunches**⁹
- ◆ 17,090 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 31,300 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 138,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 324,000 children receiving **food stamps**, average benefits would decline by about 13% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 6,548 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 10,250 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on North Carolina's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because North Carolina received 2.92% of all U.S. school lunch funding in FY 1993, CDF projected that North Carolina would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for North Carolina shown here.) Because North Carolina received 2.76% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$88.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because North Carolina received 2.52% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$27.7 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because North Carolina received 2.05% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$67.8 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated North Carolina's FY 2000 cut by first using the USDA data to determine that North Carolina's share of the nationwide cut in fiscal years 1997-2000 is 1.50%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 66,050 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in North Carolina in FY 1994 (750,500).

¹⁰ HHS calculated 17,090 by dividing North Carolina's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in North Carolina in 1993 (223,434). The number made ineligible by 2005 was calculated by HHS based on state AFDC quality control data.

¹² 323,552 children received food stamps in FY 1993. As noted above, funds will decrease by about 13%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 26,259 children who received SSI in North Carolina in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN NORTH DAKOTA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON NORTH DAKOTA'S ECONOMY

The following projections show some of the funds North Dakota could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$1.4 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.5 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$3.5 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$9.0 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$5.5 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$6.5 million (13%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates North Dakota will lose **\$85 million** under the bill.

IMPACT ON NORTH DAKOTA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in North Dakota would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 7,850 children would lose federally-subsidized **school lunches**.⁹
- ◆ 930 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 1,700 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 7,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 24,000 children receiving **food stamps**, average benefits would decline by about 13% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 109 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 450 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on North Dakota's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because North Dakota received 0.27% of all U.S. school lunch funding in FY 1993, CDF projected that North Dakota would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for North Dakota shown here.) Because North Dakota received 0.11% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$3.5 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because North Dakota received 0.82% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$9.0 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because North Dakota received 0.17% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$5.5 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated North Dakota's FY 2000 cut by first using the USDA data to determine that North Dakota's share of the nationwide cut in fiscal years 1997-2000 is 0.12%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 7,850 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in North Dakota in FY 1994 (88,975).

¹⁰ HHS calculated 930 by dividing North Dakota's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in North Dakota in 1993 (11,970). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for North Dakota.

¹² 23,694 children received food stamps in FY 1993. As noted above, funds will decrease by about 13%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 1,214 children who received SSI in North Dakota in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN OHIO

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON OHIO'S ECONOMY

The following projections show some of the funds Ohio could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$17.6 million (8.8%) would be lost in **school lunch subsidies**.³
- \$28.9 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$169.3 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$37.0 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$157.4 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$256.2 million (17%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Ohio will lose **\$2.3 billion** under the bill.

IMPACT ON OHIO'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Ohio would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 85,600 children would lose federally-subsidized **school lunches**⁹
- ◆ 17,830 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 66,250 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 276,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 611,000 children receiving **food stamps**, average benefits would decline by about 17% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 6,842 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 18,550 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Ohio's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Ohio received 3.46% of all U.S. school lunch funding in FY 1993, CDF projected that Ohio would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Ohio shown here.) Because Ohio received 5.31% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$169.3 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Ohio received 3.36% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$37.0 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Ohio received 4.77% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$157.4 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Ohio's FY 2000 cut by first using the USDA data to determine that Ohio's share of the nationwide cut in fiscal years 1997-2000 is 4.54%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 85,600 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Ohio in FY 1994 (972,666).

¹⁰ HHS calculated 17,830 by dividing Ohio's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Ohio in 1993 (473,064). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Ohio.

¹² 611,112 children received food stamps in FY 1993. As noted above, funds will decrease by about 17%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 47,605 children who received SSI in Ohio in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN OKLAHOMA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON OKLAHOMA'S ECONOMY

The following projections show some of the funds Oklahoma could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$7.4 million (8.8%) would be lost in **school lunch subsidies**.³
- \$11.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$37.4 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$16.9 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$38.3 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$58.1 million (14%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Oklahoma will lose **\$533 million** under the bill.

IMPACT ON OKLAHOMA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Oklahoma would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 32,200 children would lose federally-subsidized **school lunches**.⁹
- ◆ 6,970 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 13,200 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 57,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 180,000 children receiving **food stamps**, average benefits would decline by about 14% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 1,056 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 4,250 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Oklahoma's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Oklahoma received 1.45% of all U.S. school lunch funding in FY 1993, CDF projected that Oklahoma would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Oklahoma shown here.) Because Oklahoma received 1.17% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$37.4 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Oklahoma received 1.54% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$16.9 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Oklahoma received 1.16% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$38.3 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Oklahoma's FY 2000 cut by first using the USDA data to determine that Oklahoma's share of the nationwide cut in fiscal years 1997-2000 is 1.03%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 32,200 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Oklahoma in FY 1994 (365,797).

¹⁰ HHS calculated 6,970 by dividing Oklahoma's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Oklahoma in 1993 (94,346). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Oklahoma.

¹² 179,726 children received food stamps in FY 1993. As noted above, funds will decrease by about 14%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 10,845 children who received SSI in Oklahoma in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN OREGON

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON OREGON'S ECONOMY

The following projections show some of the funds Oregon could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$5.2 million (8.8%) would be lost in **school lunch subsidies**.³
- \$8.8 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$21.1 million (39%) would be lost in SSI (Supplemental Security Income) for disabled children.⁵
- \$16.1 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$35.3 million (14%) would be lost in AFDC cash assistance and "welfare-to-work" programs.⁷
- \$81.7 million (25%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Oregon will lose **\$661 million** under the bill.

IMPACT ON OREGON'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Oregon would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 21,650 children would lose federally-subsidized **school lunches**⁹
- ◆ 5,430 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 10,900 children would lose AFDC in FY 2000 because of funding cuts. (In addition, by FY 2005, 48,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 137,000 children receiving **food stamps**, average benefits would decline by about 25% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 601 disabled children immediately would lose eligibility for cash SSI, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 2,500 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Oregon's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Oregon received 1.02% of all U.S. school lunch funding in FY 1993, CDF projected that Oregon would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Oregon shown here.) Because Oregon received 0.66% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$21.1 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Oregon received 1.47% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$16.1 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Oregon received 1.07% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$35.3 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Oregon's FY 2000 cut by first using the USDA data to determine that Oregon's share of the nationwide cut in fiscal years 1997-2000 is 1.45%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 21,650 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Oregon in FY 1994 (246,201).

¹⁰ HHS calculated 5,430 by dividing Oregon's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Oregon in 1993 (77,749). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Oregon.

¹² 137,388 children received food stamps in FY 1993. As noted above, funds will decrease by about 25%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 6,436 children who received SSI in Oregon in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN PENNSYLVANIA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON PENNSYLVANIA'S ECONOMY

The following projections show some of the funds Pennsylvania could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$17.1 million (8.8%) would be lost in **school lunch subsidies**.³
- \$24.2 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$149.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$28.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$131.9 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$239.4 million (17%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Pennsylvania will lose **\$2.07 billion** under the bill.

IMPACT ON PENNSYLVANIA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Pennsylvania would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 85,850 children would lose federally-subsidized **school lunches**⁹
- ◆ 14,930 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 57,100 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 293,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 556,000 children receiving **food stamps**, average benefits would decline by about 17% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 7,849 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 15,600 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Pennsylvania's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Pennsylvania received 3.36% of all U.S. school lunch funding in FY 1993, CDF projected that Pennsylvania would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Pennsylvania shown here.) Because Pennsylvania received 4.67% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$149.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Pennsylvania received 2.59% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$28.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Pennsylvania received 4.00% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$131.9 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Pennsylvania's FY 2000 cut by first using the USDA data to determine that Pennsylvania's share of the nationwide cut in fiscal years 1997-2000 is 4.24%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 85,850 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Pennsylvania in FY 1994 (975,334).

¹⁰ HHS calculated 14,930 by dividing Pennsylvania's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Pennsylvania in 1993 (407,979). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Pennsylvania.

¹² 556,377 children received food stamps in FY 1993. As noted above, funds will decrease by about 17%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 39,955 children who received SSI in Pennsylvania in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN RHODE ISLAND

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON RHODE ISLAND'S ECONOMY

The following projections show some of the funds Rhode Island could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$1.3 million (8.8%) would be lost in **school lunch subsidies**.³
- \$2.7 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$10.4 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$2.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$17.6 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$27.9 million (27%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Rhode Island will lose **\$294 million** under the bill.

IMPACT ON RHODE ISLAND'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Rhode Island would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 5,100 children would lose federally-subsidized **school lunches**⁹
- ◆ 1,670 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 5,650 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 27,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 49,000 children receiving **food stamps**, average benefits would decline by about 27% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 366 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 950 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Rhode Island's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Rhode Island received 0.26% of all U.S. school lunch funding in FY 1993, CDF projected that Rhode Island would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Rhode Island shown here.) Because Rhode Island received 0.32% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$10.4 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Rhode Island received 0.23% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$2.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Rhode Island received 0.53% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$17.6 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Rhode Island's FY 2000 cut by first using the USDA data to determine that Rhode Island's share of the nationwide cut in fiscal years 1997-2000 is 0.50%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 5,100 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Rhode Island in FY 1994 (57,773).

¹⁰ HHS calculated 1,670 by dividing Rhode Island's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Rhode Island in 1993 (40,458). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Rhode Island.

¹² 49,045 children received food stamps in FY 1993. As noted above, funds will decrease by about 27%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 2,474 children who received SSI in Rhode Island in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN SOUTH CAROLINA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON SOUTH CAROLINA'S ECONOMY

The following projections show some of the funds South Carolina could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$10.0 million (8.8%) would be lost in **school lunch subsidies**.³
- \$7.9 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$55.5 million (39%) would be lost in **SSI (Supplemental Security Income)** for disabled children.⁵
- \$11.8 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$21.8 million (14%) would be lost in **AFDC cash assistance** and "welfare-to-work" programs.⁷
- \$49.1 million (12%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates South Carolina will lose **\$522 million** under the bill.

IMPACT ON SOUTH CAROLINA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in South Carolina would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 39,650 children would lose federally-subsidized **school lunches**.⁹
- ◆ 4,870 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 14,800 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 60,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 214,000 children receiving **food stamps**, average benefits would decline by about 12% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 2,295 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 6,400 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on South Carolina's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because South Carolina received 1.97% of all U.S. school lunch funding in FY 1993, CDF projected that South Carolina would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for South Carolina shown here.) Because South Carolina received 1.74% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$55.5 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because South Carolina received 1.07% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$11.8 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because South Carolina received 0.66% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$21.8 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated South Carolina's FY 2000 cut by first using the USDA data to determine that South Carolina's share of the nationwide cut in fiscal years 1997-2000 is 0.87%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ $39,650 = \text{the cut in funding (8.8\%)} \times \text{the number of children actually receiving school lunch in South Carolina in FY 1994 (450,845)}$.

¹⁰ HHS calculated 4,870 by dividing South Carolina's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in South Carolina in 1993 (105,722). The number made ineligible by 2005 was calculated by HHS based on state AFDC quality control data.

¹² 213,828 children received food stamps in FY 1993. As noted above, funds will decrease by about 12%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 16,369 children who received SSI in South Carolina in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN SOUTH DAKOTA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON SOUTH DAKOTA'S ECONOMY

The following projections show some of the funds South Dakota could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$1.8 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.5 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$8.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$4.9 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$4.5 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$7.1 million (12%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates South Dakota will lose **\$92 million** under the bill.

IMPACT ON SOUTH DAKOTA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in South Dakota would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 9,350 children would lose federally-subsidized **school lunches**⁹
- ◆ 930 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 2,000 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 9,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 32,000 children receiving **food stamps**, average benefits would decline by about 12% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 396 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 950 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on South Dakota's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because South Dakota received 0.36% of all U.S. school lunch funding in FY 1993, CDF projected that South Dakota would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for South Dakota shown here.) Because South Dakota received 0.25% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$8.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because South Dakota received 0.44% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$4.9 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because South Dakota received 0.14% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$4.5 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated South Dakota's FY 2000 cut by first using the USDA data to determine that South Dakota's share of the nationwide cut in fiscal years 1997-2000 is 0.13%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 9,350 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in South Dakota in FY 1994 (106,393).

¹⁰ HHS calculated 930 by dividing South Dakota's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in South Dakota in 1993 (14,214). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for South Dakota.

¹² 31,562 children received food stamps in FY 1993. As noted above, funds will decrease by about 12%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 2,497 children who received SSI in South Dakota in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN TENNESSEE

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON TENNESSEE'S ECONOMY

The following projections show some of the funds Tennessee could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$11.6 million (8.8%) would be lost in **school lunch subsidies**.³
- \$16.8 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$77.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$16.2 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$44.1 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$127.6 million (15%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Tennessee will lose **\$927 million** under the bill.

IMPACT ON TENNESSEE'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Tennessee would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 52,200 children would lose federally-subsidized **school lunches**⁹
- ◆ 10,360 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 30,350 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 115,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 364,000 children receiving **food stamps**, average benefits would decline by about 15% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 2,736 disabled children immediately would lose eligibility for cash SSI, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 8,600 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Tennessee's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Tennessee received 2.27% of all U.S. school lunch funding in FY 1993, CDF projected that Tennessee would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Tennessee shown here.) Because Tennessee received 2.41% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$77.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Tennessee received 1.47% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$16.2 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Tennessee received 1.34% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$44.1 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Tennessee's FY 2000 cut by first using the USDA data to determine that Tennessee's share of the nationwide cut in fiscal years 1997-2000 is 2.26%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 52,200 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Tennessee in FY 1994 (593,090).

¹⁰ HHS calculated 10,360 by dividing Tennessee's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Tennessee in 1993 (216,844). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Tennessee.

¹² 364,193 children received food stamps in FY 1993. As noted above, funds will decrease by about 15%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 21,988 children who received SSI in Tennessee in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN TEXAS

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON TEXAS'S ECONOMY

The following projections show some of the funds Texas could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$49.6 million (8.8%) would be lost in **school lunch subsidies**.³
- \$44.4 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$179.3 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$85.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$101.5 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$612.3 million (20%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Texas will lose **\$5.2 billion** under the bill.

IMPACT ON TEXAS'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Texas would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 188,000 children would lose federally-subsidized **school lunches**⁹
- ◆ 27,390 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 76,350 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 297,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 1.4 million children receiving **food stamps**, average benefits would decline by about 20% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 8,374 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 20,650 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Texas's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Texas received 9.73% of all U.S. school lunch funding in FY 1993, CDF projected that Texas would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Texas shown here.) Because Texas received 5.62% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$179.3 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Texas received 7.77% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$85.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Texas received 3.08% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$101.5 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Texas's FY 2000 cut by first using the USDA data to determine that Texas's share of the nationwide cut in fiscal years 1997-2000 is 10.86%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 188,000 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Texas in FY 1994 (2,136,447).

¹⁰ HHS calculated 27,390 by dividing Texas's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Texas in 1993 (545,516). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Texas.

¹² 1,421,597 children received food stamps in FY 1993. As noted above, funds will decrease by about 20%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 52,966 children who received SSI in Texas in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN UTAH

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON UTAH'S ECONOMY

The following projections show some of the funds Utah could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$4.5 million (8.8%) would be lost in **school lunch subsidies**.³
- \$6.8 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$14.0 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$20.3 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$15.4 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$22.7 million (16%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Utah will lose **\$276 million** under the bill.

IMPACT ON UTAH'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Utah would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 21,700 children would lose federally-subsidized **school lunches**⁹
- ◆ 4,190 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 4,850 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 19,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 74,000 children receiving **food stamps**, average benefits would decline by about 16% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 672 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 1,650 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Utah's future economic, demographic, and social trends. For example, the Census Bureau projects the state's population will grow faster than the national average. Under current law, federal funding levels respond flexibly to such changes

in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Utah received 0.88% of all U.S. school lunch funding in FY 1993, CDF projected that Utah would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Utah shown here.) Because Utah received 0.44% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$14.0 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Utah received 1.84% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$20.3 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Utah received 0.47% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$15.4 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Utah's FY 2000 cut by first using the USDA data to determine that Utah's share of the nationwide cut in fiscal years 1997-2000 is 0.40%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 21,700 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Utah in FY 1994 (246,321).

¹⁰ HHS calculated 4,190 by dividing Utah's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Utah in 1993 (34,804). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Utah.

¹² 74,253 children received food stamps in FY 1993. As noted above, funds will decrease by about 16%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 4,292 children who received SSI in Utah in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN VERMONT

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON VERMONT'S ECONOMY

The following projections show some of the funds Vermont could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$0.8 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.6 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$5.1 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$3.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$10.0 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$8.7 million (16%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Vermont will lose **\$91 million** under the bill.

IMPACT ON VERMONT'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Vermont would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 4,100 children would lose federally-subsidized **school lunches**⁹
- ◆ 990 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 2,450 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 11,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 25,000 children receiving **food stamps**, average benefits would decline by about 16% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 55 disabled children immediately would lose eligibility for cash SSI, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 500 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Vermont's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Vermont received 0.16% of all U.S. school lunch funding in FY 1993, CDF projected that Vermont would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Vermont shown here.) Because Vermont received 0.16% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$5.1 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Vermont received 0.32% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$3.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Vermont received 0.30% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$10.0 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Vermont's FY 2000 cut by first using the USDA data to determine that Vermont's share of the nationwide cut in fiscal years 1997-2000 is 0.15%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 4,100 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Vermont in FY 1994 (46,343).

¹⁰ HHS calculated 990 by dividing Vermont's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Vermont in 1993 (17,529). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Vermont.

¹² 25,386 children received food stamps in FY 1993. As noted above, funds will decrease by about 16%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 1,344 children who received SSI in Vermont in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN VIRGINIA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON VIRGINIA'S ECONOMY

The following projections show some of the funds Virginia could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$10.0 million (8.8%) would be lost in **school lunch subsidies**.³
- \$11.3 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$66.5 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$16.5 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$32.3 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$100.0 million (16%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Virginia will lose **\$920 million** under the bill.

IMPACT ON VIRGINIA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Virginia would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 51,350 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,970 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 18,700 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 78,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 261,000 children receiving **food stamps**, average benefits would decline by about 16% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 4,753 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 7,750 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Virginia's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Virginia received 1.96% of all U.S. school lunch funding in FY 1993, CDF projected that Virginia would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Virginia shown here.) Because Virginia received 2.08% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$66.5 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Virginia received 1.50% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$16.5 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Virginia received 0.98% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$32.3 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Virginia's FY 2000 cut by first using the USDA data to determine that Virginia's share of the nationwide cut in fiscal years 1997-2000 is 1.77%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 51,350 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Virginia in FY 1994 (583,697).

¹⁰ HHS calculated 6,970 by dividing Virginia's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Virginia in 1993 (133,435). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Virginia.

¹² 261,125 children received food stamps in FY 1993. As noted above, funds will decrease by about 16%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 19,899 children who received SSI in Virginia in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN WASHINGTON

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON WASHINGTON'S ECONOMY

The following projections show some of the funds Washington could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$8.0 million (8.8%) would be lost in **school lunch subsidies**.³
- \$16.4 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$40.6 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$27.3 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$88.6 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$134.8 million (26%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Washington will lose **\$1.3 billion** under the bill.

IMPACT ON WASHINGTON'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Washington would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 36,800 children would lose federally-subsidized **school lunches**.⁹
- ◆ 10,120 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 25,900 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 117,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 230,000 children receiving **food stamps**, average benefits would decline by about 26% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 1,859 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 4,400 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Washington's future economic, demographic, and social trends. For example, the state's school enrollment and child population are projected to grow faster than the national average. Under current law, federal funding levels respond

flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Washington received 1.58% of all U.S. school lunch funding in FY 1993, CDF projected that Washington would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Washington shown here.) Because Washington received 1.27% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$40.6 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Washington received 2.48% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$27.3 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Washington received 2.68% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$88.6 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Washington's FY 2000 cut by first using the USDA data to determine that Washington's share of the nationwide cut in fiscal years 1997-2000 is 2.39%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 36,800 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Washington in FY 1994 (418,243).

¹⁰ HHS calculated 10,120 by dividing Washington's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Washington in 1993 (184,918). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Washington.

¹² 229,855 children received food stamps in FY 1993. As noted above, funds will decrease by about 26%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 11,254 children who received SSI in Washington in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN WEST VIRGINIA

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON WEST VIRGINIA'S ECONOMY

The following projections show some of the funds West Virginia could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$4.1 million (8.8%) would be lost in **school lunch subsidies**.³
- \$4.5 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$28.8 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$6.0 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$23.9 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$38.2 million (11%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates West Virginia will lose **\$373 million** under the bill.

IMPACT ON WEST VIRGINIA'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in West Virginia would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 17,550 children would lose federally-subsidized **school lunches**⁹
- ◆ 2,780 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 10,350 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 49,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 208,000 children receiving **food stamps**, average benefits would decline by about 11% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 1,439 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 3,200 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on West Virginia's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because West Virginia received 0.80% of all U.S. school lunch funding in FY 1993, CDF projected that West Virginia would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for West Virginia shown here.) Because West Virginia received 0.90% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$28.8 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because West Virginia received 0.54% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$6.0 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because West Virginia received 0.73% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$23.9 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated West Virginia's FY 2000 cut by first using the USDA data to determine that West Virginia's share of the nationwide cut in fiscal years 1997-2000 is 0.68%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 17,550 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in West Virginia in FY 1994 (199,502).

¹⁰ HHS calculated 2,780 by dividing West Virginia's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in West Virginia in 1993 (73,964). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for West Virginia.

¹² 207,751 children received food stamps in FY 1993. As noted above, funds will decrease by about 11%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 8,169 children who received SSI in West Virginia in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN WISCONSIN

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON WISCONSIN'S ECONOMY

The following projections show some of the funds Wisconsin could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$6.7 million (8.8%) would be lost in **school lunch subsidies**.³
- \$10.1 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$85.7 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$17.7 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$72.1 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$50.9 million (16%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Wisconsin will lose **\$830 million** under the bill.

IMPACT ON WISCONSIN'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Wisconsin would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 42,750 children would lose federally-subsidized **school lunches**⁹
- ◆ 6,230 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 19,200 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 96,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 181,000 children receiving **food stamps**, average benefits would decline by about 16% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 4,629 disabled children immediately would lose eligibility for cash SSI, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 8,250 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Wisconsin's future economic, demographic, and social trends. Under current law, federal funding levels respond flexibly to such changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Wisconsin received 1.31% of all U.S. school lunch funding in FY 1993, CDF projected that Wisconsin would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Wisconsin shown here.) Because Wisconsin received 2.69% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$85.7 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Wisconsin received 1.61% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$17.7 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Wisconsin received 2.19% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$72.1 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Wisconsin's FY 2000 cut by first using the USDA data to determine that Wisconsin's share of the nationwide cut in fiscal years 1997-2000 is 0.90%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 42,750 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Wisconsin in FY 1994 (486,013).

¹⁰ HHS calculated 6,230 by dividing Wisconsin's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Wisconsin in 1993 (137,079). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Wisconsin.

¹² 181,409 children received food stamps in FY 1993. As noted above, funds will decrease by about 16%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 21,103 children who received SSI in Wisconsin in December 1994 by 39%.

IMPACT OF HOUSE BILL ON CHILDREN IN WYOMING

On March 24, the House of Representatives passed a bill¹ to shred the safety net that protects America's neediest children from hunger, malnutrition, abuse, neglect, disease, and homelessness. The bill, part of the Contract with America, cuts crucial child-survival programs by nearly \$70 billion,² eliminates federal nutritional and other standards, and voids the core principle that all eligible, needy children will be served.

IMPACT ON WYOMING'S ECONOMY

The following projections show some of the funds Wyoming could lose in fiscal year 2000 under the House bill, compared with current law. According to projections by the U.S. Department of Health and Human Services (HHS), the U.S. Department of Agriculture (USDA), and the Children's Defense Fund:

- \$0.9 million (8.8%) would be lost in **school lunch subsidies**.³
- \$1.4 million (24%) would be lost in **child care subsidies** (not counting restored funds).⁴
- \$3.5 million (39%) would be lost in **SSI** (Supplemental Security Income) for disabled children.⁵
- \$3.3 million (50%) would be lost in **food subsidies for children in child care and Head Start**.⁶
- \$5.2 million (14%) would be lost in **AFDC** cash assistance and "welfare-to-work" programs.⁷
- \$5.0 million (13%) would be lost in **food stamps**, mostly for families with children.⁸

Over five years (FY 1996-2000), HHS estimates Wyoming will lose **\$67 million** under the bill.

IMPACT ON WYOMING'S CHILDREN

States could make these cuts in several ways: by excluding groups of children from programs and putting them on waiting lists; by reducing benefits or the quality of services (for example, by substantially cutting the nutritional value of a school lunch); or by making low-income families pick up more costs through co-payments and fees. Regardless of which method is chosen, the overall effect would be large. Another possible, but politically difficult, option would be to replace lost federal funds by raising state taxes or finding other funds. The following list illustrates how many children in Wyoming would be affected in FY 2000 *if states choose to cut costs solely by reducing current program enrollments* by the same percentage that federal funding is cut for that program or block grant.

- ◆ 5,050 children would lose federally-subsidized **school lunches**.⁹
- ◆ 860 children would lose federal **child care** subsidies that help parents get off or stay off welfare (see notes).¹⁰
- ◆ 1,700 children would lose **AFDC** in FY 2000 because of funding cuts. (In addition, by FY 2005, 6,000 children could be made ineligible for federal assistance because the bill prohibits aid to certain types of children.)¹¹ For the roughly 19,000 children receiving **food stamps**, average benefits would decline by about 13% — below the minimum needed to meet nutritional needs.¹²
- ◆ In 1996, 271 disabled children immediately would lose eligibility for cash **SSI**, according to HHS. (In FY 2000, based on the state's pro-rated share of funding cuts, CDF projects a reduction of 400 in the number of blind and disabled children would receive assistance.)¹³

The bill's actual impact could be higher or lower than these projections, depending on Wyoming's future economic, demographic, and social trends. For example, the Census Bureau projects the state's population will grow faster than the national average. Under current law, federal funding levels respond flexibly to such

changes in state needs. Under block grants, funding levels would not respond.

¹ H.R. 4, the Personal Responsibility Act, approved by the U.S. House of Representatives March 24, 1995. Some numbers in this fact sheet reflect slightly earlier versions of the bill.

² The Congressional Budget Office (CBO) estimates the bill will reduce federal spending nationwide by \$68 billion over the next five years, compared with current law. The Administration's estimate is \$69 billion.

³ The bill would cut funds for programs in the school nutrition block grant by 8.8% in FY 2000, according to CBO. Assuming that states will choose to cut all programs in the block grant by the same 8.8%, then funds for school lunches will decline by \$510 million nationwide. Because Wyoming received 0.18% of all U.S. school lunch funding in FY 1993, CDF projected that Wyoming would absorb about the same share of that nationwide cut in FY 2000.

⁴ Source: HHS state-by-state analysis of the bill in the form considered by the Economic and Educational Opportunities Committee. Nationwide, child care funding would be cut by \$612 million in FY 2000, or 24%, compared with current law, according to HHS. (A last-minute amendment by Rep. Nancy Johnson, R-CT, restored \$750 million in child care funds over the next five years, reducing the cut in FY 2000 to about 19%. The figures here do not reflect that change.)

⁵ Compared with current law, SSI spending would decline by about \$3.2 billion, or 39%, nationwide in FY 2000, according to CBO preliminary analyses dated March 1, 1995. Because these cuts would make families poorer, the families would qualify for additional food stamps, causing food stamp spending to increase by an estimated \$680 million. Counting the offsetting food stamp increases, resources for SSI families would be cut \$2.5 billion. (Last-minute changes raised CBO's estimate of the nationwide cut to \$2.7 billion, or 33%, after accounting for offsetting food stamp increases. Those changes are not reflected in the figures for Wyoming shown here.) Because Wyoming received 0.11% of all U.S. SSI spending for children in December 1994, CDF assumed it would absorb about the same share of that nationwide cut— or \$3.5 million— in FY 2000.

⁶ The bill places the majority (87.5%) of funds for the Child and Adult Care Food Program (CACFP) in a family nutrition block grant; apart from a special set-aside for WIC, this funding stream would be cut by more than 55% in FY 2000 compared with current law, CBO projects. The other 12.5% of CACFP funds are placed in the school nutrition block grant, which would be cut by 8.8%. Assuming states continue to fund CACFP at its present percentage share of both block grants, the combined cut to CACFP by FY 2000 is 50%, or \$1.1 billion nationwide. Because Wyoming received 0.30% of all U.S. CACFP spending in FY 1993, CDF assumed it would absorb about the same share of that nationwide cut— or \$3.3 million.

⁷ The bill would cut funds for Aid to Families with Dependent Children (AFDC), Emergency Assistance, and the Job Opportunities and Basic Skills Program (JOBS) by \$2.6 billion, or 14%, in FY 2000, compared with current law, according to CBO preliminary cost estimates dated February 28, 1995. (Calculations by the Children's Defense Fund.) Because Wyoming received 0.16% of all U.S. funding for these programs in FY 1993, CDF projected that it will absorb about the same share of that nationwide cut— or \$5.2 million.

⁸ Food stamp spending nationwide would be cut \$5.64 billion, or 18%, in FY 2000, compared with current law, according to estimates from March 15, 1995 by the U.S. Department of Agriculture (USDA). USDA shows state data only for FY 1996 and FY 1996-2000, but not for FY 2000. Therefore, CDF estimated Wyoming's FY 2000 cut by first using the USDA data to determine that Wyoming's share of the nationwide cut in fiscal years 1997-2000 is 0.09%, and then applying that percentage to the \$5.64 billion nationwide figure for FY 2000.

⁹ 5,050 represents the percentage cut in funding (8.8%) multiplied by the number of children actually receiving school lunch in Wyoming in FY 1994 (57,247).

¹⁰ HHS calculated 860 by dividing Wyoming's funding cut by an average nationwide federal child care expenditure figure of \$1,621 per child. These figures do not include restored child care funds (see note 4).

¹¹ The year 2000 figure = 14% multiplied by the number of children who received AFDC in Wyoming in 1993 (12,249). The number made ineligible by 2005 was calculated by HHS based on AFDC quality control data for Wyoming.

¹² 18,512 children received food stamps in FY 1993. As noted above, funds will decrease by about 13%.

¹³ Children made ineligible immediately: HHS analysis dated March 17, 1995. Children affected by funding cuts in FY 2000: CDF multiplied the 1,086 children who received SSI in Wyoming in December 1994 by 39%.

4/12

EXECUTIVE OFFICE OF THE PRESIDENT

05-Apr-1994 07:26am

TO: Bruce N. Reed
FROM: Carol H. Rasco
Economic and Domestic Policy
CC: Cathy R. Mays
Roselyn A. Miller
SUBJECT: meeting requested on welfare reform

I have had a memo from David Kass at CDF stating that a delegation of heads of various organizations who advocate for children, women, families met with Shalala recently on welfare reform, seek to meet with me this week before final welfare reform decisions are made. I am planning to oblige them on Thursday or Friday, do you wish to sit in? I think it would be a good idea for you to do so. The list includes CDF, Catholic Charities, National Council of Churches, Council of Jewish Federations, National Council of Negro Women, National Women's Law Center, Women's Legal Defense Fund, Child Welfare League, Food Research and Action Center, Coalition on Human Needs, AFSCME, National Council of La Raza, and Bob Greenstein.

Let me know your thoughts as we have pledged to get back with them today. Thanks.

Bruce
F41



Children's Defense Fund

MEMORANDUM

To: Rosalyn Miller
From: David Kass, Children's Defense Fund
Date: March 31, 1994
Subject: Meeting on Welfare Reform With Carol Rasco

As I mentioned on the phone today, a delegation of heads of children's, women's, minority, labor, religious, and other organizations met with Secretary Shalala last week to share our thoughts and concerns on welfare reform. The people who participated in that meeting were:

- Marian Wright Edelman, CDF
- Father Fred Kammer, Catholic Charities
- Joan Brown Campbell, National Council of Churches
- Diana Aviv, Council of Jewish Federations
- Dorothy Height, National Council of Negro Women
- Duffy Campbell, National Women's Law Center
- Judith Lichtman, Women's Legal Defense Fund
- David Liederman, Child Welfare League
- Ed Cooney, Food Research and Action Center
- Jennifer Vasiloff, Coalition on Human Needs
- Gerald McEntee, AFSCME
- Raul Yzaguirre, National Council of La Raza
- Bob Greenstein, Center on Budget & Policy Priorities

Since many of the final decisions will be made on the President's welfare plan in the next few weeks, this delegation requests to meet with Ms. Rasco as soon as possible.

Please let me know if I can provide more information at (202) 662-3556. Thank you for considering our request.

James
1866

EXECUTIVE OFFICE OF THE PRESIDENT

19-Apr-1994 04:57pm

TO: Bruce N. Reed

FROM: Rosalyn A. Miller
Economic and Domestic Policy

CC: Cathy R. Mays

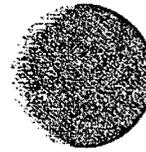
SUBJECT: CDF Meeting

Carol has a briefing with POTUS at 9:45a.m. tomorrow. If the briefing starts on time and runs over, CHR would like for you to begin the meeting and she'll join you as soon as it's over. If her briefing has not began by 10:00 she'll start the meeting and explain her having to leave -- hoping you can continue without her.

Thanks.

cc: Reed } TO
cc: Way } fyi

March 21, 1994



MEMORANDUM

To: Secretary Ronald Brown
 Secretary Henry Cisneros
 Secretary Mike Espy
 Secretary Federico Pena

Secretary Robert Reich
 Secretary Richard Riley
 Secretary Janet Reno
 Secretary Donna Shalala

From: Marian Wright Edelman

Subject: Key Concerns On Welfare Reform

WR-CDF

CDF is encouraged by a number of key elements in the Administration's emerging welfare reform plans, including new child care investments for both AFDC recipients and the working poor, stronger child support enforcement coupled with child support assurance demonstrations, and increased JOBS funding. These elements must be retained in the final plan. At the same time, I want to be sure that you are aware of several key aspects of the draft plan that we fear actually may increase child poverty and impede the efforts of poor parents to provide for their children.

We are strongly opposed to recommendations to finance welfare reform through offsetting cuts in other low-income entitlements. This approach is simply unacceptable and will hurt both poor families and the Administration. The threat of even modest cuts in low-income entitlements will generate widespread opposition from traditional Administration allies, causing much of the advocacy community to divert precious resources from supporting the campaign for health reform to opposing cuts in low-income programs. This is an outcome the Administration cannot possibly seek. We urge you to insist on a more equitable set of financing mechanisms that does not rely on reductions in already inadequate income supports for poor children.

In addition, we remain concerned about the proposed treatment in a variety of circumstances of parents who "play by the rules" but cannot find full-time jobs in the private sector. The draft plan presumably will include no significant financial incentives or rewards for parents who accept public sector jobs, will force parents who are working part time (even 20 or more hours per week) off of AFDC, and may give large numbers of parents no alternative but to place their children in child care arrangements of very poor or uncertain quality. Perhaps most disturbingly, proposals considered by the Working Group would create the possibility that at least some poor children and families will receive reduced AFDC benefits (or lose AFDC eligibility completely) after working two years in a public sector job despite having complied with all requirements under the new WORK program. **The basic safety net for poor children and families simply must be preserved under the Administration's welfare reform plan.**

The Administration is approaching a key juncture in the welfare reform debate. Despite the efforts of the Working Group to reconcile costs with current budget constraints, there remains an enormous gap between the expansive rhetoric of the two-year time limit and the very modest resources that the Administration is prepared to devote to this effort. **It still is possible for the Administration to embrace and build support within the Congress for a more incremental approach to welfare reform that is consistent with its budget constraints and priorities, focusing limited funds in key areas such as targeted job creation, child care, JOBS, improved work incentives, child support, and teen pregnancy prevention.** I believe that such an approach would be perceived as more credible by House and Senate leaders and would generate strong support within the advocacy community.

I hope that you will work within the Administration to ensure that children and parents are treated fairly in welfare reform and that new initiatives in this area yield lasting reductions in child poverty. CDF remains eager to assist you in whatever way we can to develop a welfare reform plan of which we all can be proud.

cc: Mary Jo Bane
David Ellwood
Carol Rasco
Bruce Reed
Melanne Verveer

*cc: Fye to
Bruce Reed
Kathi Wang
Rahm*

APR 6 RECD



FAX: (202) 662-3550

FACSIMILE TRANSMITTAL SHEET

WR-CDF

Orig
TO: Carol Rasco

FIRM: Domestic Policy Counsel - White House

CITY/STATE:

FAX NUMBER: 456-2878

FROM: Marian Wright Edelman

DEPT.:

IF YOU HAVE A TRANSMITTAL/RECEIVING PROBLEM, PLEASE CONTACT ME AT (202) 662-3569.

DATE: 4/6/94

TIME: 3:40 p.m.

NUMBER OF PAGES SENT (INCLUDING COVER SHEET): 6

COMMENTS:

I wanted you to know that we sent the attached op-ed on welfare reform this morning to the New York Times for their consideration.

Oped Submission/Welfare Reform
from Marian Wright Edelman

Approximately 1500 words

Contact: Lynn Bowersox
CDF Director of Media Relations
202-662-3613

Our nation needs to tackle the challenges of serious welfare reform. Far too many of our children live in abject poverty, and far too many American families are hurt by policies inside and outside the welfare system that discourage work, undermine family stability, and increase child poverty.

But it's getting harder and harder not to be deeply concerned about the current welfare reform debate as it begins to resemble a political battlefield strewn with dangers for children. There are plenty of catchy phrases and simple-sounding prescriptions for change. Less apparent, however, is whether the Administration, the Republican "opposition," or the Congress can muster the courage and the resources to tackle the root causes of America's high and persistent child and family poverty.

Some of the proposals recently advanced under the guise of welfare reform are simply cruel and misguided:

- Charles Murray, a much-quoted welfare "expert," wants to bring back orphanages and abolish efforts to collect child support from deadbeat dads, two steps that would destroy families and eliminate already weakened messages of parental responsibility.

- More than 160 House Republicans are prepared to turn women and children out on the streets even when jobs or alternative means of support just aren't available, giving states the option to simply call "time's up," as though welfare families need nothing more than a deadline to achieve self-sufficiency.

- Politicians across the political spectrum appear ready to succumb to anti-immigrant sentiment by removing the safety net for millions of children and adults (many of them elderly or disabled) who are not citizens but who legally reside in the United States, despite the fact that many have worked and paid taxes for years.

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Even the Administration, while considering many positive steps, seems to be backing itself into an impossible choice: either pay for an adequately financed welfare reform effort through cuts in vital programs for poor families (including interventions designed to prevent homelessness and encourage relatives to care for children who otherwise might end up in foster care) or proceed with a grossly underfunded plan that could become a Trojan horse of punishment by driving poor parents off welfare when no jobs are available.

What next? With so little attention being paid to the need to get welfare recipients into real jobs and to protect the well-being of children, I begin to hear echoes of Jonathan Swift.

In the midst of the Irish potato famines of the early 1700s, Swift satirized the then-widespread resentment of the destitute by suggesting that poor parents could improve their lot if they would only sell their children to be eaten. Today, without tongue in cheek, we appear on the verge of debating whether it is acceptable to cut off aid to poor mothers who are willing to work but unable to find jobs and then to take their children away from them if they cannot find other means of support.

Where is our moral compass? It is both cruel and counterproductive to pit the interests of the parent against the interests of the child, and some cures are worse than the disease. We can never forget that two-thirds of welfare recipients are children. So let us set aside political gimmickry and take an honest look at the shortcomings of the current welfare system.

We have some big problems on our hands. At a time when jobs for low-skilled workers remain scarce in most poor communities, half of all mothers on welfare do not have a high school diploma. Everyone's hope is that many of the jobs needed to put welfare recipients to work will come from the private sector. Yet in March 8.5 million Americans were actively looking for, but unable to find, employment in the private or public sectors. An additional 5.5 million either accepted part-time jobs because full-time work was not available or had grown too discouraged to continue their search.

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Particularly in depressed rural and inner-city areas with high concentrations of poor families receiving welfare, the sobering reality is that many will find work only if public job creation programs give them a chance.

The dominant message of welfare now is one of hopelessness. That pattern won't change until we take teen pregnancy and welfare prevention as seriously as we take efforts to move current welfare recipients off the rolls. Young women in their teens and early twenties must not reach the conclusion that welfare is a permanent or inescapable future. Some will need a strong push to take responsibility for their children and do what they can to contribute to their support. Most will need only a glimmer of hope for a better life. No one wants that more than the millions of mothers who bounce back and forth between work and welfare because they are unable to secure family-sustaining jobs.

So creating jobs must be our first priority. Of course, able-bodied parents must work or participate in activities to prepare themselves to work, teaching their children by example the importance of getting up every morning to make a contribution to themselves, their families, and society. Yet as the President recognized when he first proposed a two-year time limit, we must have jobs for poor parents who need them. Murray, the House Republicans, and apparently even a few Administration officials seem to have lost sight of that fundamental truth.

There is so much important work that AFDC parents can do in their communities if federal and state governments join together to create real jobs for them. Head Start centers, immunization outreach efforts, summer feeding sites for low-income students, and after-school and other academic and cultural enrichment programs for children and young adolescents are just a few of the places where the energies and skills of parents receiving AFDC could be put to good use. Substantial new investments in public jobs can tap this potential and at the same time refocus our welfare system on work for those who are able.

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I want us to move parents off welfare and into jobs as quickly as possible. The proposed two-year time limit, however, largely misses the point. More than 70 percent of families on welfare already leave within two years, anxious to be disentangled from a humiliating system. For those who remain, the real choice is whether to find the money needed to create a true alternative to welfare, one that allows poor parents the dignity of paid employment and addresses the shortage of real jobs that now plagues our low-income communities.

Other steps also are essential if welfare reform is to succeed. Universal health insurance and quality child care are clear prerequisites: if we ask parents to jeopardize the health and well-being of their children while they search for a way back into the economic mainstream, we will surely fail. Allowing AFDC parents to keep a more reasonable portion of earnings (which they now lose almost dollar for dollar when they work) is long overdue. Expanded funding for education and training, tougher child support enforcement, and demonstration projects to test innovative child support assurance plans are needed to remove additional obstacles to self-sufficiency.

We cannot accept the status quo -- no jobs, low benefits, and a system that discourages work and family formation -- any more than we should allow ourselves to be paralyzed by partisan or ideological differences. Measures to prevent adolescent pregnancy, reward work, enforce parental responsibility, and provide child care help for low-income working parents who are teetering on the edge of the welfare system are neither liberal nor conservative, Democratic nor Republican. They are simply common sense and deserve bipartisan support.

But the true test of our resolve to "end welfare as we know it" will lie in the willingness of the Administration and the Congress to pay the unavoidable costs associated with fundamental change in a fair and equitable manner. Very few of the steps necessary to reform our welfare system can occur without new resources, and they must be raised sensibly -- not by slashing other investments in poor

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children and families but by scaling back tax breaks for wealthy individuals and corporations or trimming our still bloated defense budget. Fundamental change will be impossible if we merely reconfigure the current system to save money instead of people. In the long run, we would do neither, and the long-term costs to the nation would be enormous.

For most poor families welfare is not a way of life. The large majority of AFDC recipients who leave within two years demonstrate remarkable motivation, given that more than one-fourth of all AFDC mothers report having disabilities or caring for a disabled child and an estimated two in five have major child care problems. Unfortunately, many who leave AFDC eventually return to the rolls, pushed back by a job loss or a breakdown in child care arrangements or a need for health coverage in the face of a serious family illness. This pattern is a chilling reminder of poor parents' tenuous foothold in an anything-but-full-employment economy.

We can pretend that most parents on welfare aren't trying, aren't doing what they can or should to support themselves and care for their children. The tragic reality is that the charge of lack of effort may more aptly apply to us, particularly if we succumb to the temptations to wash our hands of the burdens that accompany our nation's deep and abiding commitment to hope, opportunity, and compassion for all.

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The author, Marian Wright Edelman, is president and founder of the Children's Defense Fund. CDF is a Washington, D.C. based non-profit organization which provides a national voice for children who are too young to vote, lobby, or speak for themselves.

Orig: CHR - meeting file 3/2
 xc: Reed }
 Way } fyi WR -
 CDF

February 28, 1994

MEMORANDUM

TO: Secretary Donna Shalala
 Secretary Robert Reich
 Secretary Richard Reilly
 Secretary Henry Cisneros
 Carol Rasco
 Melanne Verveer

FR: Marian Wright Edelman

RE: Absolute time limits on AFDC eligibility

It is my understanding that on Wednesday the Cabinet may consider a proposal developed by the Administration's working group on welfare reform that would eliminate AFDC eligibility for at least some families who have participated for two years in and met all the requirements of a publicly-funded work program.

I strongly urge you to speak out against any proposal that may cut off AFDC benefits without providing an assured job. A sweeping "two years and out" approach would destroy the safety net that now protects poor children from severe deprivation and lead to sharp increases in homelessness, foster care placements and other tragic and costly outcomes. Even a more limited provision that allows but does not require welfare agencies to end eligibility after a reassessment at the two-year point is fraught with perils. Given that parents who reach the two-year limit will have been in full compliance with JOBS and WORK program requirements all the way up to the point of reassessment, what objective criteria could possibly serve as the basis for decisions to end AFDC eligibility even in selected cases?

The President's pledge to provide and require work after two years of AFDC receipt can attract broad support. However, it is inconceivable to me that this Administration would turn its back on poor children and families by embracing any form of arbitrary time limits on AFDC benefits. By eliminating AFDC benefits in instances where jobs or alternative means of support are not otherwise available, either mandatory or discretionary time limits would violate every standard of fairness and decency. I deeply hope that you will push for a more sensible and humane course in this critical area.