

## CHILDREN'S PROGRAMS: DEFINING THE "TRULY NEEDY"

The Reagan Administration contends that the "truly needy" will not suffer from federal cutbacks. Who are the "truly needy" that the federal government will take responsibility for? The debate over government responsibility for meeting the needs of its citizens has been with us for decades. Our nation, in the past, generally has responded with compassion and courage, especially in the area of children's programs. President Reagan, however, would like to eliminate federal funding for most children's programs by 1991.<sup>1</sup> Has the definition of "truly needy" suddenly changed or has the Reagan Administration simply given up hope due to the economic malaise confronting America?

Many legislators, political scientists, economists, and citizens question whether the direction in which President Reagan has chosen to lead America is the right one. Many believe that Reaganomics will "cause states to compete to push out and keep out the most vulnerable group—the working poor."<sup>2</sup> In contrast, OMB Director David Stockman has stated that:

[the Reagan Administration is] interested in curtailing weak claims rather than weak clients . . . The fear of the liberal remnant is that we will only attack weak clients. We have to show that we are willing to attack powerful clients with weak claims. I think that's central to our success, both political and economic success.<sup>3</sup>

To measure the success of this Administration by their own standards, the terms "weak clients" and the "truly needy" must be explained.

According to the Children's Defense Fund,<sup>4</sup> this Administration's cut of more money from children's programs than from any other beneficiary category in American society<sup>5</sup> must make children a "powerful client." Needy children make up sixty-eight percent of the recipients of Aid to Families with Dependent Children, and fifty percent of those eligible for medicaid and those who benefit from food stamps.<sup>6</sup> Furthermore, almost twenty-one percent of our children live in poverty.<sup>7</sup>

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1. *An Unhappy Anniversary*, TIME, Feb. 1, 1982, at 12.

2. Demkovich, *Medicaid for Welfare: A Controversial Swap*, NAT'L J., Feb. 27, 1982, at 362-63.

3. Greider, *The Education of David Stockman*, ATLANTIC, Dec. 30, 1981, at 27.

4. The Children's Defense Fund is a non-profit organization which studies the effects of budget cuts on Children's programs. Marian Wright Edelman, President of the Children's Defense Fund (CDF), has established the CDF Children's Public Policy Network. The Children's Defense Fund publishes the "CDF Reports," a monthly newsletter, which discusses current developments in children's programs.

5. CHILDREN'S DEFENSE FUND, *A CHILDREN'S DEFENSE BUDGET: AN ANALYSIS OF THE PRESIDENT'S BUDGET AND CHILDREN 10* (1982).

6. *Our Neglected Kids*, U.S. NEWS & WORLD REPORT, Aug. 9, 1982, at 57.

7. *Id.*

In the opinion of John Demos, professor of history at Brandeis University, "[T]he worst thing that happens to a significant portion of American children is that they are poor—and all things flow from that."<sup>8</sup>

American citizens must define who the "truly needy" are and whether poor children should be included in that definition. The Reagan Administration has made certain proposals on budget priorities, which the American citizen must consider and weigh. To aid in this endeavor, four representative programs will be examined in light of the fiscal years 1981 and 1982 budget cuts.

#### FOUR REPRESENTATIVE CHILDREN'S PROGRAMS

##### Aid to Families with Dependent Children

Aid to Families with Dependent Children (AFDC),<sup>9</sup> protects poor children by giving their families income support.<sup>10</sup> Approximately 3.8 million families, which includes 8 million children, depend on AFDC.<sup>11</sup> Each state determines its own benefit level and its own eligibility requirements for AFDC recipients.<sup>12</sup> In the 1981 budget, Congress appropriated \$7.9 billion to AFDC.

Funding for AFDC dropped in 1982 to \$6.69 billion—a one billion dollar cutback. The states have also slashed matching funds reducing by almost two billion dollars the total money available to poor children and their families.<sup>13</sup> By fiscal year 1987, these budgetary reductions are projected to "save" a combined total of \$5.9 billion.<sup>14</sup>

The Reagan Administration proposed a number of changes in AFDC in 1981. Congress adopted virtually all of these proposals,<sup>15</sup> but made some of the changes optional for the states.<sup>16</sup> Former Health and Human Services Secretary Richard Schweiker announced that the new mandatory provisions "help ensure that assistance goes to those who genuinely need help. . . . [W]e must set reasonable limits and we

8. *Id.*

9. Aid to Families With Dependent Children (AFDC), 42 U.S.C. §§ 601-615 (1976 & Supp. V. 1981), is the largest federal program which provides federal support for children and families who are dependent upon publicly supported human services.

10. Income support ranges from 99¢ per day in one state to \$4.21 per child per day in another state. See CHILDREN'S DEFENSE FUND, *supra* note 5, at 56-57.

11. Bull, *Outlook for 1982*, YOUTH LAW NEWS, Oct. 1982, at 1.

12. For example, in New York, approximately 36,000 18-to-21 year olds who are in school are expected to lose their ADFC eligibility by the terms of New York's eligibility requirements. See CHILDREN'S DEFENSE FUND, *supra* note 5, at 59.

13. *Id.* at 57.

14. CONG. Q. WEEKLY REP., Feb. 13, 1982, at 240.

15. See Omnibus Reconciliation Act of 1981, Pub. L. No. 97-35, §§ 2301-2336, 95 Stat. 357 (1981).

16. Optional provisions include the following: (1) allowing states to set up alternative work programs for AFDC recipients, *Id.* § 2308; (2) allowing states to organize community work experience programs, which require recipients to work off their AFDC grant, *Id.* § 2307; (3) allowing states to count the value of food stamps in determining eligibility, *Id.* § 2302; and (4) allowing states to count the value of housing subsidies in determining a family's AFDC eligibility and benefit levels, *Id.*

must look to jobs for recipients as our real long-term goal.”<sup>17</sup> Among the 1981 changes were the alterations in the procedures by which a recipient’s living expenses to determine AFDC eligibility are calculated. Other sources of income are now included in the calculation of a recipient’s AFDC eligibility and benefits.<sup>18</sup>

Many of the proposals in the fiscal year 1983 budget repeat changes that the Administration had sought unsuccessfully in the 1981 Reconciliation Bill. The 1983 proposals include eliminating the AFDC emergency assistance program,<sup>19</sup> strengthening the mandatory work requirement for AFDC parents,<sup>20</sup> and reducing utility and shelter allowances to AFDC families who share housing with other families.<sup>21</sup> The overall health and social consequences of President Reagan’s cuts could be more damaging than the cuts themselves on America’s needy children.

Supporters of the Reagan Administration’s reduction of social spending feel that these reductions affect only persons with incomes who should not realistically receive aid. Former White House domestic policy advisor, Martin Anderson, describes the President’s record to the poor as “quite compassionate.”<sup>22</sup> Edgar K. Browning, an economist at the University of Virginia, argues that increasing welfare pro-

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17. *New AFDC Rules Will Trim 408,000 From Welfare Rolls*, WASHINGTON EXAMINER, Sept. 21, 1981.
  18. For example, the income of an AFDC child’s step-parent must be included in calculation of the child’s benefits. Reconciliation Act, *supra* note 15, § 2302. Congress adopted a requirement that a recipient must include government energy assistance in a recipient’s regular income to determine eligibility. See Donnelly, *More Cuts Proposed in Social Programs*, CONG. Q. WEEKLY REP., Feb. 13, 1982, at 240-241. This new provision will greatly reduce benefits to AFDC recipients who receive energy assistance. *Id.* Critics of this provision view the low income energy assistance grants as being implemented to meet the emergency needs of the poor, whose income which includes AFDC, cannot meet the soaring costs of heat or electricity. CHILDREN’S DEFENSE FUND, *supra* note 5, at 61. The Reagan Administration, on the other hand, contends that the two programs overlap. Donnelly, at 240. Moreover, the new proposal would also include income of unrelated adults who lived with the AFDC family in calculating benefits, whether or not that adult contributes to the child’s living expenses. *Id.* Also, outside income available to a child of an AFDC family would be included as income, except for disabled children receiving SSI benefits. *Id.* AFDC funds will also be cut when the youngest child in a family reaches 16 years of age, even though the child would normally be eligible for benefits until age 18. 42 U.S.C. § 602 (1981).
  19. The AFDC emergency assistance program, 42 U.S.C. § 603(a)(5), 606(a) (1976), provides aid to families on the brink of destitution. For a discussion of the program’s possible elimination, see Donnelly, *supra* note 18, at 241. If eliminated, the only way a state could provide emergency assistance would be through expanding the energy assistance program, which has already been slated for cuts by \$565 million. CHILDREN’S DEFENSE FUND, *supra* note 5, at 61.
  20. Under 42 U.S.C. § 602(a)(19) (1976), state AFDC plans must provide that every individual applying for AFDC benefits must also register for “manpower services, training, employment, and other employment-related activities. . . .” Less than half of the states have decided to set up work experience programs under the Omnibus Reconciliation Act of 1981. Donnelly, *supra* note 18, at 241. The Administration has proposed to require states to do so, thereby forcing recipients to find private jobs or perform public service work in exchange for benefits. *Id.*
  21. Donnelly, *supra* note 18.
  22. Press, *Lending a Hand to the Poor: How Much Should Washington Do?*, Christian Science Monitor — at —.

grams discourage work.<sup>23</sup>

Many AFDC parents, however, forced to work because of aid cuts, are unable to provide child care for their children while they work. Child advocates observe that "fewer and fewer resources are being allocated to the care, management, and identification of high risk children at a time in our national life characterized by increasing economic stress that stimulates child abuse."<sup>24</sup>

Critics believe that the changes in AFDC do not set "reasonable limits" because they exclude many children and families genuinely in need of assistance. Critics also find that AFDC reductions could very well discourage work because many AFDC recipients cannot afford to lose their benefits by taking a low-paying job and risk losing medicaid coverage at the same time.<sup>25</sup> The overall impact of these proposed cuts on families and children is even more damaging when viewed in the context of previous reductions and the anticipated \$2.8 billion cut in the Food Stamp Program.<sup>26</sup> Interestingly, the only program aiding AFDC recipients to become more employable is the Work Incentive Program (WIN).<sup>27</sup> However, the WIN program that now helps recipients become more employable would be eliminated.<sup>28</sup>

#### Health Services for Mothers and Children

Since the New Deal, the federal government has been committed to ensuring that poor mothers and their children "living in severely medically underserved areas, or without a means of purchasing health services, nevertheless have access to decent health care."<sup>29</sup> By 1980, the major federal health programs<sup>30</sup> were assisting approximately twenty-

23. *Id.*

24. *Our Neglected Kids*, U.S. NEWS & WORLD REPORT, Aug. 9, 1982, at 57.

25. Duty, *Mothers With Children Feel Threat of Federal Budget Cuts*, L.A. Times, Apr. 6, 1981. Duty reported that a University of Chicago Welfare Center study found that "while all poor people will be adversely affected by cuts in food stamps, as well as other social welfare programs, those hardest hit will be the working poor." *Id.* Cheryl Rogers, one of the authors of the study, gave an example of how cuts in food stamps and AFDC reduce the income of the average working parent on AFDC to the same income level as a parent completely on welfare. *Id.* The study concludes that those AFDC parents who work are many times worse off financially than those recipients who do not work. *Id.*

26. CHILDREN'S DEFENSE FUND, *supra* note 5, at 63.

27. The Work Incentive Program (WIN) is a federal tax program granting tax breaks to employees which provide job training, job placement assistance and social services for AFDC recipients. 26 U.S.C. §§ 50A, § 50B (1976).

28. Donnelly, *supra* note 19, at 241. If eliminated, an additional \$245 million will be saved. *Id.* This will have the effect, however, of materially reducing employment opportunities for those on AFDC.

29. CHILDREN'S DEFENSE FUND, *supra* note 5, at 85.

30. The four major health programs include the following: (1) Title V: Maternal and Child Health and Crippled Children's Program, 42 U.S.C. § 701 (1976); (2) Title IX: Community Health Centers program, 42 U.S.C. § 254c (1976); (3) Title IX: Migrant Centers Program, 42 U.S.C. § 254b (1976); and (4) Family Planning Program, 42 U.S.C. § 300 *et seq.* (1976). The Maternal and Child Health and Crippled Children's Program provided services ranging from basic prenatal care, checkups, and immunizations to advanced medical treatment for crippled children and newborns in need of intensive care treatment. Community Health Centers provided comprehensive health services in the most rural and medically underserved

six million persons and were providing health services to approximately twenty-three million mothers and children.<sup>31</sup> Despite the past success of the federal health service programs, the federal government has estimated that nearly fifty million Americans still have inadequate health care.<sup>32</sup>

The Reagan Administration cut the funds for the Maternal and Child Health Program by seven million dollars and molded the allotment into the Maternal and Child Health Services Block Grant.<sup>33</sup> The Block Grant consolidates funding from seven programs: (1) maternal and child health and crippled children's services from Title V; (2) genetic disease; (3) the SSI program for disabled children; (4) sudden infant death syndrome; (5) lead-based paint; (6) hemophilia; and (7) adolescent pregnancy programs. The Block Grant also eliminated the requirement under the Title V program that states maintain comprehensive health care services.

The Maternal and Child Health Block Grant retains a seventy-five percent state matching requirement.<sup>34</sup> Since no "maintenance of effort" requirement exists for the states, a state which currently overmatches these programs may permissibly reduce their matching funds to seventy-five percent. States may not transfer federal funds from the Maternal and Child Health Block Grant. Based on each state's relative share of fiscal year 1981 funds in the block, eighty-five percent of the federal funds will go to states; the federal government will retain fifteen percent for special projects.<sup>35</sup> The federal government requires states to spend a "substantial" portion on health services and a "reasonable" portion on primary and prenatal care.<sup>36</sup> What might be "substantial" in one state, of course, may be "reasonable" in another.

Community Health Services were placed in the Primary Care Block Grant program and each state was authorized to take over the program beginning in fiscal year 1983.<sup>37</sup> Federal funding for Community Health Services were slashed from fiscal 1981 levels by twenty-nine percent.<sup>38</sup> Although Migrant Health Centers and the Family Planning Program remained intact,<sup>39</sup> the program funds were cut from the fiscal 1981 levels by eighteen percent and twenty-nine percent respectively.<sup>40</sup>

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areas. Migrant Health Centers reached families in which very little prenatal or postnatal care had previously been available. Finally, millions of families received family planning health and educational services at family planning centers nationwide.

31. CHILDREN'S DEFENSE FUND, *supra* note 5, at 85.

32. *Id.*

33. The funding cut was contained within the Omnibus Reconciliation Act of 1981, Pub. L. No. 97-35, 95 Stat. 357 (1981). The Maternal and Child Health and Crippled Children's Services is found at 42 U.S.C. § 701, *et seq.* (1976).

34. *Id.*

35. 42 U.S.C. § 702(a) (1976).

36. 42 U.S.C. § 705 (1976).

37. 42 U.S.C. § 300y-5 (1976).

38. CHILDREN'S DEFENSE FUND, *supra* note 5, at 87.

39. Migrant Health Centers are authorized by 42 U.S.C. § 254b (1976), while the Family Planning Program is contained at 42 U.S.C. § 300 (1976).

40. CHILDREN'S DEFENSE FUND, *supra* note 5, at 87-88.

In the area of Mental Health, the 1981 authorizations of \$717 million for Alcohol, Drug Abuse and Mental Health programs were reduced in the 1983 Block Grant Authorization to \$491 million.<sup>41</sup> Under the Alcohol, Drug Abuse and Mental Health Block Grant, the states must allocate funds proportionally among alcohol, drug and community health programs and fund community mental health centers at the 1981 levels. The restrictions become progressively more flexible in 1983 and 1984.<sup>42</sup> As much as seven percent of a grant may be transferred by a state to another health block grant.<sup>43</sup> The federal government also requires the centers to provide outpatient and specialized children services.<sup>44</sup>

As a direct result of the cuts in the fiscal year 1982 budget, forty community health centers have closed.<sup>45</sup> The cutbacks for the Maternal and Child Health Block Grant have resulted in reductions in services, reductions in the numbers of children served, clinic closures, and smaller staffs. Federal cutbacks have proven damaging to health services for mothers and children. In sum, present national economic problems and the ensuing drastic federal health program cutbacks threaten both medical progress in child care and the promotion of better health among children of lower income families.

#### Child Nutrition Programs

Congress has poured billions of dollars during the last two decades into programs intended to alleviate children's malnutrition and disease.<sup>46</sup> The eighties, in contrast, have begun to reverse "the progress that has been made in combatting the hunger and chronic malnutrition that once plagued many of America's children."<sup>47</sup> These federal cuts come at a time when other federal monies for poor children in health care are shrinking as well.

Millions of children receive a majority of their nutritional needs through child nutrition programs<sup>48</sup> supported by the federal government. In 1982, however, the Reagan Administration removed three billion dollars from nutrition programs.<sup>49</sup> Simultaneous cuts in other

41. 42 U.S.C. § 300x (1976). See generally, Bull, *The Outlook for 1982: An Update*, YOUTH LAW NEWS, Jan. 1, 1982, at 2.

42. Bull, *supra* note 41, at 3.

43. 42 U.S.C. § 300x-3(c) (1976).

44. 42 U.S.C. § 300x-4(c)(4) (1976).

45. CHILDREN'S DEFENSE FUND, *supra* note 5, at 88.

46. Demkovich, *Feeding the Young—Will the Reagan "Safety Net" Catch the "Truly Needy"?*, NAT'L J., Apr. 10, 1982, at 624.

47. *Id.*

48. Child nutrition programs include the following: (1) the School Breakfast and School Lunch programs; (2) the Child Care Food Program; (3) the Summer Feeding Program; and (4) the Special Milk Program. About 3.6 million children participate in the School Breakfast Program and 2 million participate in the School Lunch Program. See CHILDREN'S DEFENSE FUND, *supra* note 5, at 95. About ninety percent of the Child Care Food funds are for meals for poor children, and under the Summer Feeding Program, nearly 2 million low income children receive lunches during the summer months. *Id.*

49. The cuts have proven to have the following practical effects. Child care centers can serve

aid programs for low income families intensifies the impact of budget reductions in nutrition programs.

The Reagan Administration began with cutbacks in the School Breakfast<sup>50</sup> and Child Care Food<sup>51</sup> Programs and proposes to entirely eliminate the Special Milk Program<sup>52</sup> and the Summer Feeding Program.<sup>53</sup> Low income families therefore face not only higher child care costs but the possible loss of two meals a day. “[O]n top of everything else that’s happened to people, on top of severe cuts in cash assistance programs, severe undernourishment and even malnutrition could result,”<sup>54</sup> says an attorney for the Food Research Action Center, a private lobbying group in the nutrition field.

The Reagan Administration essentially defends the cutbacks as an attempt to eliminate waste and overlapping services. “[B]y better targeting such assistance programs on those who need them, we can make the very best possible use of our resources.”<sup>55</sup> The President has called the reports of malnourishment “a great exaggeration”<sup>56</sup> and has also stated that a merger of the special supplemental food program for women, infants, and children (WIC) with the Maternal and Child Care Health Block Grant would result in “greater money than it has ever had before.”<sup>57</sup> However, such a merger of these two programs would not result in greater money but rather approximately \$300 million less money.<sup>58</sup>

Critics of the Reagan Administration emphasize that poor children are no less deserving of healthy childhoods than rich or middle-class children. The critics also argue that preventive care saves the taxpayers money. For example, it is far less costly to immunize children in welfare families than to treat them after they get sick. But there is no question that in this Administration’s budget priorities, poor children have been the primary victims of the cuts in nutrition and health care programs.

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only two meals and one snack a day, compared to three meals and two snacks before the cuts, 42 U.S.C. § 1773 (Supp. 1982). The cuts in the Child Care Food Program were also accomplished by changing eligibility rules, which means that centers are forced to reduce the number of children they care for and the quality of care they provide. Church and religious organizations, YMCA’s, and YWCA’s, and other children’s clubs can no longer receive federal aid from this fund. 42 U.S.C. § 1766 (Supp. 1982). Finally, the Special Milk Program was eliminated in 1982 in schools that operated school lunch programs. 42 U.S.C. § 1772 (Supp. 1982).

50. 42 U.S.C. § 1773 (1976 & Supp. V 1981).

51. 42 U.S.C. § 1766 (Supp. V 1981).

52. 42 U.S.C. § 1772 (Supp. V 1981).

53. 42 U.S.C. § 1761 (Supp. V 1981).

54. *Food Stamp Aid to be Cut Again*, Washington Chronicle, Sept. 23, 1981.

55. *Dangers That Threaten the Health of Youngsters*, U.S. NEWS & WORLD REPORT, Aug. 9, 1982, at 56.

56. Demkovich, *supra* note 46, at 625.

57. *Id.*

58. *Id.*

### Child Welfare and Adoption Programs

Child welfare agencies serve children who come from families that have abused or neglected them or from families who seek help because of financial problems, unemployment, or other family life crisis. Over 1.8 million American children receive services from child welfare agencies.<sup>59</sup> The Adoption Assistance and Child Welfare Act<sup>60</sup> and the Child Abuse Prevention and Treatment Act<sup>61</sup> offer children protection and the prospect of permanent family situations. The Adoption Assistance and Child Welfare Act concentrates on preserving families rather than providing foster care and provides federal reimbursement to states which grant subsidies to aid in the adoption of children with mental, emotional or physical handicaps.<sup>62</sup> The Child Abuse Prevention and Treatment Act promotes a "more coordinated state response" to the needs of abused and neglected children.<sup>63</sup> These two Acts are cost-effective because they discourage placing "children in foster care settings that can cost as much as \$60,000 per year, and encourag[e] the growth of alternatives that keep children in the home."<sup>64</sup>

Despite the cost-effectiveness of the Adoption Assistance and Child Welfare Act and the protection given children under the Child Abuse Act, the Administration has proposed to repeal both acts. The Administration proposed to place the programs in the Social Services Block Grant, even though the Grant has no explicit provisions for homeless, or abused children.<sup>65</sup> Congress rejected these proposals during the reconciliation process, but nevertheless dramatically reduced funding for both programs.<sup>66</sup> In fiscal 1982, Congress reduced the Child Abuse program by six million dollars<sup>67</sup> and reduced the Child Welfare Program by four percent.<sup>68</sup>

In contrast, Congress continued the foster care and adoption assistance programs as entitlement programs. Other federal cutbacks and eligibility restrictions in AFDC, Maternal and Child Health, Social Services, Food Stamps and Child Nutrition, however, will result in even more neglect, ill health, malnutrition, and abuse among poor children. In turn the result will be foster care placements which are far more costly than keeping the child in the home.

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59. CHILDREN'S DEFENSE FUND, *supra* note 5 at 41. Note that many of the children who are served by Child Welfare Agencies are homeless and are placed in foster family homes or child care institutes. A majority of the homeless children suffer from physical handicaps, parental abuse, or neglect, and some have had early contacts with juvenile justice system.

60. The Adoption Assistance and Child Welfare Act of 1980, Pub. L. No. 96-272, 94 Stat. 550 (1980).

61. The Child Abuse Prevention and Treatment Act, 42 U.S.C. § 5101-5106 (1976), enacted in 1974.

62. The Adoption Assistance Act, *supra* note 60.

63. The Child Abuse Prevention Act, *supra* note 61.

64. CHILDREN'S DEFENSE FUND, *supra* note 5, at 42.

65. *Id.*

66. *Id.*

67. *Id.*

68. *Id.* at 43.

The cost of administration in these huge federal programs can and should be cut. However, wholesale budgetary slashing must be questioned. Short term budgetary savings will result in long term costs to society as more children born with diseases and handicaps burden our society with even more expensive problems as they grow up. As neglected children grow up many are placed in detention homes, rehabilitation centers, and jails. The disabled and neglected children are a part of our society and

“[W]e must remind the Reagan Administration and Congress that they represent the nation’s children, too, and are obligated to establish a national children’s policy, one that centers on support for the nurturing family, for that is where children have the best chance to survive.”<sup>69</sup>

Ironically, in a country purportedly committed to the family and to reducing taxes, a system can flourish which separates children from their families and which costs the taxpayer more than keeping children at home. The Reagan Administration has chosen to cut the essential services necessary to keep the family alive and healthy. In essence, not only the child but the family and community become the losers.

#### EFFECT ON STATE AND LOCAL LEVELS

Although the biggest change will be the reduction of Federal funding in the area of children’s programs in Indiana, a delay in the timing of Federal payments has cushioned this blow. Many of the categorical grants that Congress folded into block grants were distributed on a slow Federal payment cycle. Indiana did not receive many Federal 1981 dollars until late August or September of 1981, after the beginning of the new fiscal year. Indiana was able to use the money to supplement the cuts in the block grants in fiscal 1982. Thus, the budgets for the consolidated programs were apparently reduced by an average of only 4.4%.<sup>70</sup> Indiana legislators decided to distribute the cuts proportionately among the social service programs.<sup>71</sup>

In St. Joseph County, many agencies dependent on federal aid feel threatened by the budget cuts. The Crippled Children’s Center, for example, once encouraged children with specialized crippling diseases to participate in their programs. However, children with certain diseases will now be excluded altogether as a direct result of the budget cuts. The Center can afford to hospitalize a child for thirty days in one calendar year, no matter what the problem. The Center hopes for private sector involvement, but no organizations have yet come to their aid.

The St. Joseph County Protective Services, which assists abused and neglected children from infancy to twelve years of age, reports an increase in caseloads, but less paid staff. The Child Protective Service

69. Taylor, *Our System is Failing the Dislocated Children*, L.A. Times, 1981 at —.

70. *Picking Up Block Grants—Where There’s A Will, There’s Not Always a Way*, NAT’L J., Apr. 10, 1982, at 618.

71. *Id.*

reports that more time is spent in the office, rather than field time, and less time is spent on home visits, and extremely important factor in the area of child abuse. A caseworker's load increased from 95 cases per worker to 125 cases per worker in 1982, and stress management courses are now offered to the workers.

The Child Abuse and Neglect Coordinating Organization (CANCO) reports that more referrals are being made which result from the increased stress level of the populace. The counselors have found that clients are unable to deal with problems underlying their abuse and neglect because they are so preoccupied with providing basic necessities, worrying about receiving their unemployment checks or concerned with school lunch programs being cut back. CANCO provides counseling for the entire family and receives one half of their funding through private donations. CANCO reports that there were few increases and some decreases in private donations in 1982. In addition, CANCO revealed that agencies in the South Bend Community are starting to compete with each other for funds.

The Family and Children's Center in South Bend divides its services into home support programs, child development, family services, and treatment for emotionally disturbed children. The Center has not in the past used volunteers because they were not professionally qualified, and the Center did not have the time or money to train them. In 1983, for the first time, the Center will be using volunteers for support jobs. The Center concludes that a generally optimistic outlook is possible if our nation rethinks proposals, makes advances in developing private sources, and looks to other alternatives to the budget cuts.

In August 1981, Congress repealed the requirement that the states put up one dollar for every three spent in federal social service aid.<sup>72</sup> Relieved of that responsibility, the Indiana legislature did not appropriate the state's share. In short, the State of Indiana will not make up for the federal budget cuts. As Indiana's block grant coordinator stated:

It isn't possible. With unemployment as high as it is now, we're facing one of the first deficits in a very long time. The state is not fiscally in a position to pick up the cuts in the block grants or other programs.<sup>73</sup>

The federal cuts, combined with the inability of the State to pick up the cuts in federal aid, directly threaten agencies at the county and Municipal levels.

### CONCLUSION

Where does this leave our most precious resource, America's children? Will the widespread economic and social stress cause long-term, irreparable harm to our youth? This Administration's severe cutbacks

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72. *Id.* at 619.

73. *Id.* at 620.

seemingly amount to an "unconditional war on children."<sup>74</sup> On the other hand, the Reagan Administration promotes the idea of making government simpler—to deregulate or combine benefit programs into block grants as a first step, which will ultimately result in states taking full responsibility for financing and implementation. Child advocates admit that while block grants give states more discretion in spending federal money, and help in cutting down on administrative costs, "simplification" many times turns into "oversimplification" of the problem, and an elimination of necessary protection for America's children.

Can or will the private sector assume the social responsibility dropped by the federal government? Corporate contributions have been critical to many social programs. Corporate contributions have increased from 1965 to 1979 at the rate of 1.6% per year. In 1982 only six percent of major U.S. corporations plan to increase their contributions in 1982. "The total of *all* sources (individual, corporation, foundations, and estates) given to health, education and welfare activities in 1979 was only \$16.4 billion."<sup>75</sup> To make up for the withdrawal of Federal responsibilities in 1980 and 1981 alone, contributions would have to be four times as great as in 1979. Moreover, volunteers cannot be expected to fill the gap left by federal funding decreases. In difficult economic times the number of volunteers is shrinking. As greater numbers of mothers and single parents must work during these difficult economic times, the number of volunteers shrinks. Training volunteers also takes a lot of time, effort, and money.

The bottom line is that we, as Americans, must decide whether or not the basic income assistance for our poor is a federal responsibility. The National Governor's Association and the Advisory Commission on Inter-governmental Relations have argued that it is.<sup>76</sup> Ever since the New Deal, Washington has taken responsibility for providing for low income Americans. Moreover, child nutrition experts and anti-hunger advocates warn that New Federalism might reverse the progress that has been made over the last fifteen years. "[T]here is striking, almost frightening evidence, that they [the Administration] are almost consciously prepared to sacrifice poor children."<sup>77</sup> The Center on Budget and Policy Priorities has indicated that the biggest losers in the child care program will be the working poor.<sup>78</sup> When the federal money runs out, and a state doesn't want to raise taxes to maintain the program, low income families become the losers. Thus, child advocates do not believe the President when he told the Indiana Legislature on February 9, 1982, that "I will give you a flat and binding pledge: there will be no net winners and losers. This will not be a roll of the dice."

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74. *Budget Cuts Called 'War on Kids,'* San Francisco Chronicle, Feb. 16, 1982, at —.

75. Colwell, *Reaganomics Insensitive: Hart*, South Bend Tribune, Oct. 13, 1982, at 33.

76. CHILDREN'S DEFENSE FUND, *supra* note 5, at 75.

77. Demkovich, *supra* note 46, at 624.

78. *Id.* at 627.

What are some alternatives to the cuts in children's programs? Strategies recommended by child advocates have included: (1) alternative cuts in military spending;<sup>79</sup> (2) closer screening of persons who apply for welfare; (3) repealing changes in AFDC law that discourage mothers from working; (4) increasing Federal subsidies to employers hiring and training mothers on AFDC; (5) conducting fund raising campaigns within local communities and encouraging local United Ways to provide funds for child care; and (6) elimination of any further corporate tax breaks and tax breaks to the individual.

Cost effective children's programs designed to meet basic survival needs and protection of the most vulnerable children in our society must be maintained at all costs. After looking at alternatives, we as a nation must decide what we can do and for whom within the budget constraints.

*Diane S. Rice\**

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79. For example, funds for welfare and recreation, nuclear weapons, military morale or military children could be cut.

\* A.B., University of Notre Dame, 1980; J.D. Candidate, Notre Dame Law School, 1983.