



State Government

DHS wants rules eased on U.S. aid

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04/08/2004

In their struggle to make the most out of a tight budget, Iowa's Department of Human Services and child advocates are increasingly looking to federal officials to free them from fiscal restraints.

The state Department of Human Services anticipates that next year it will turn away hundreds more families and eliminate 100 jobs because greater demand is eating away at its budget.

Also hindering the department are strict rules on how some federal child-welfare money is spent, said department director Kevin Concannon. More than half of the child-welfare money Iowa receives annually from the U.S. Department of Health and Human Services is earmarked for foster care, adoption and other out-of-home care.

"The money's only available if you remove a child from his or her family," Concannon said. "What we would like to do is safely keep more kids in their homes - that would be the best option."

The state currently spends more than \$200 million annually on child-welfare programs - more than half of which comes from the federal government. Rules prohibit the state Department of Human Services from spending a large portion of that money on counseling, drug treatment and other in-home services benefiting parents, because it is earmarked for children in state care.

Some advocates believe the requirements will ultimately sabotage recent efforts to improve Iowa's child-welfare system.

"Absent reform of this federal financing straitjacket," said Jerry Foxhoven of Iowa's Child Advocacy Board, "Iowa will find it difficult to develop innovative approaches . . . that will help keep families intact, return a child safely home, or move a child in foster to another permanent, safe family."

Concannon and his colleagues are pursuing a federal waiver that would free more federal money for in-home services.

The Bush administration, meanwhile, has proposed federal legislation that Concannon and advocates say could worsen Iowa's human-services situation.

Because of growing costs, federal officials want Congress to cap federal "entitlement" money set aside for child welfare and provide states with block grants instead.

"I'm very leery of that," Concannon said. "Congress has attention deficit disorder when it comes to block grants. Once they give you one, they lose interest in the program, even if there are increases in demand."