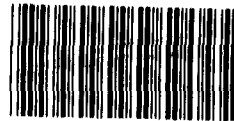
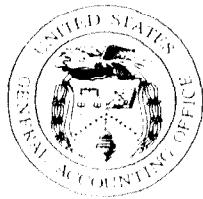


GAO

May 1991

CHILD ABUSE PREVENTION

Status of the Challenge Grant Program



144002

Human Resources Division

B-239637

May 9, 1991

The Honorable Christopher J. Dodd
Chairman, Subcommittee on Children,
Family, Drugs and Alcoholism
Committee on Labor and Human Resources
United States Senate

The Honorable Major R. Owens
Chairman, Subcommittee on Select Education
Committee on Education and Labor
House of Representatives

Abuse and neglect of children constitutes a national emergency.¹ In 1989, 2.4 million cases of child abuse were reported, up more than 200 percent from 1977. Abused and neglected children suffer emotional pain and physical injury that can lead to serious long-term consequences. They may perform poorly in school and, as youth, they are more likely to engage in criminal activities, run away from home, and grow up to become abusive parents themselves.

Abused children utilize services that can be expensive, such as medical treatment, foster care, and specialized education. These services can cost more than \$500 million annually. Additional costs associated with juvenile courts, longer-term foster care, drug or alcohol treatment, adult criminal activities, foregone future earnings, and potential welfare dependency have been acknowledged but not quantified.² Prevention programs directed at increasing awareness of the problem and at strengthening family functioning, however, can reduce the incidence and costs of child abuse and neglect.

As part of the Comprehensive Crime Control Act of 1984 (P.L. 98-473), the Congress enacted the Child Abuse Prevention Challenge Grants to give states incentives to invest in reducing the disturbing increase in reported cases. The Congress found that most federal funds distributed to the states were spent on treatment, with little left over for prevention. The legislation, therefore, recognized the need to ensure a continuing source of funds dedicated to averting child abuse and neglect in addition to treating its consequences. Trust funds, which some states

¹Child Abuse and Neglect: Critical First Steps in Response to a National Emergency. U.S. Advisory Board on Child Abuse and Neglect, June 1990.

²Daro, Deborah, *Confronting Child Abuse: Research for Effective Program Design*. New York, The Free Press, 1988, pp. 153-164.

had already established, and direct appropriations were cited as important ways of ensuring funds for prevention.

When the Challenge Grant Program was reauthorized in October 1989,³ the Congress debated whether challenge grants had been intended as "seed money" for the states to begin prevention programs or whether grants should be used to establish and then maintain state prevention activities. The program, funded at \$5 million per year, represents the only federal funding stream dedicated solely to prevention, although states can also use other federal funding streams for prevention. The law stipulated four broad and sometimes overlapping categories of prevention activities: (1) education and public informational seminars, (2) education for professionals, (3) dissemination of information to the public, and (4) development of community prevention programs. Public Law 101-126 requires us to report on certain aspects of the Challenge Grant Program.

Results in Brief

Our survey showed that in 1989, about 70 percent of challenge grant funds were spent on community prevention activities, including educational programs on parenting and child care. In addition, states often rely on their challenge grants to fund prevention activities, such as media campaigns and technical assistance to communities, that cannot be supported with state funds. The remaining challenge grant funds were spent on education for the general public and professionals as well as other prevention activities.

By 1989, all but 10 states, the District of Columbia, and Puerto Rico had established child abuse prevention trust funds. Median trust fund revenue is about \$240,000; the range is from about \$29,000 to over \$3 million. About half have set up endowments that could eventually sustain program operations; but none currently generates sufficient revenue to sustain operations from endowments alone. Eight states had direct appropriations for child abuse prevention instead of trust funds, and, in 1989, revenue from this source totaled over \$6 million. Four of these states appropriated about \$500,000 or less.

³See Child Abuse Prevention Challenge Grants Reauthorization Act of 1989 (P.L. 101-126). The reauthorization act transferred the challenge grants to the Child Abuse Prevention and Treatment Act, which is codified in 42 U.S.C. 5101.

We found that about 26 percent of the funds used by states to apply for challenge grants came from trust funds and direct appropriations. However, many states applied using other funding mechanisms, including state social service programs, which accounted for 74 percent of state applications. This complicated grant administration because the Department of Health and Human Services (HHS) had to scrutinize these other funding mechanisms. As a result of the process, HHS disallowed about \$52 million that it found was less clearly related to child abuse prevention. Moreover, this process was difficult because no professional consensus exists on which prevention approaches work.

Under the circumstances, we believe that the difficulties in administering the grants were not commensurate with the overall size of the program, and that program administration could be made much more efficient.

The Challenge Grant Program

The Challenge Grant Program is administered by HHS's National Center on Child Abuse and Neglect (NCCAN). HHS announces the availability of federal funds and determines eligibility of states for federal matching grant awards, which are based on the amount of state funding made available for prevention in the previous year. Subject to appropriations, states may be awarded the lesser of (1) 25 percent of state funds made available for prevention in the previous year or (2) 50 cents for every child living in the state. Since fiscal year 1986, slightly under \$5 million has been awarded each year.⁴

To qualify for challenge grant funds, states must make nonfederal money available that is dedicated to prevention activities through a trust fund or "other funding mechanism." Thus, states funding prevention through other mechanisms could also receive federal support. Examples of other funding mechanisms that HHS has accepted as eligible for matching funds are (1) direct line-item state appropriations for prevention, (2) grants from private foundations (such as the Robert Wood Johnson Foundation), and (3) prevention programs funded through departments of social services and other administrative budgets.

Trust funds, unlike other funding mechanisms, provide states with a vehicle to set up endowments to ensure a continuing source of funding for prevention activities. After a period of time, the interest income

⁴The Congress first appropriated funds for the Challenge Grant Program in August 1985, and HHS began awarding grants in fiscal year 1986. See Supplemental Appropriations Act of 1985 (P.L. 99-88).

from endowments becomes an ongoing revenue source for child abuse prevention programs.

Objectives, Scope, and Methodology

We conducted this study pursuant to Public Law 101-126, which required GAO to report on various aspects of the Challenge Grant Program. We focused on five key areas: (1) total federal spending on child abuse prevention, as a context for understanding the Challenge Grant Program; (2) sources of revenue for state trust funds, including the capability of trust funds to generate revenue through endowments; (3) amounts of funding from trust funds and from other funding mechanisms used to apply for challenge grants; (4) prevention activities supported by challenge grants; and (5) administrative aspects of the Challenge Grant Program.

To develop current data in these five areas, we conducted a mail survey of all states, the District of Columbia and Puerto Rico. (See app. I for a more detailed description of our survey methods.) We also reviewed the literature on child abuse and interviewed national experts, representatives of advocacy groups, and HHS officials about child abuse prevention in general as well as the Challenge Grant Program.

We did our work between March and December 1990 in accordance with generally accepted government auditing standards.

Total Federal Dollars Spent on Prevention Unknown

Information on four federal funding streams is available, although there is no estimate of total federal funds distributed to the states and spent on prevention of child abuse. In fiscal year 1989, about \$30 million was appropriated for programs under the Child Abuse Prevention and Treatment Act. Under this act, grants to states and demonstration grants to public or nonprofit organizations can be used either for prevention or treatment. HHS was not able to provide us with a breakdown of program funds spent for prevention. The \$4.8 million appropriation for the Challenge Grant Program is dedicated solely to the prevention of child abuse and neglect. In addition, block grants to states, such as title XX (Social Services) and title IV-B (Child Welfare Services) of the Social Security Act, may be used for child abuse prevention, but these do not include reporting requirements on how the funds were spent.

In our survey, 31 states were able to report about their use of funds from federal programs other than challenge grants to support child abuse prevention activities. Only 25 states, however, could identify the

source and amount of funds used. Table 1 shows that these 25 states estimated \$17 million was spent from these other federal programs on prevention.

Table 1: Federal Programs Other Than the Challenge Grant Program Providing Child Abuse Prevention Funds to the States (Fiscal Year 1989)

Dollars in millions		
Federal program	Number of states	Amount spent for prevention
Title XX	6	\$13.9
Child abuse grants to states	17	1.9
Title IV-B	7	1.0
Total		\$16.8

Note: 13 states reported using funds from more than one federal program.

Source: GAO survey, August 1990.

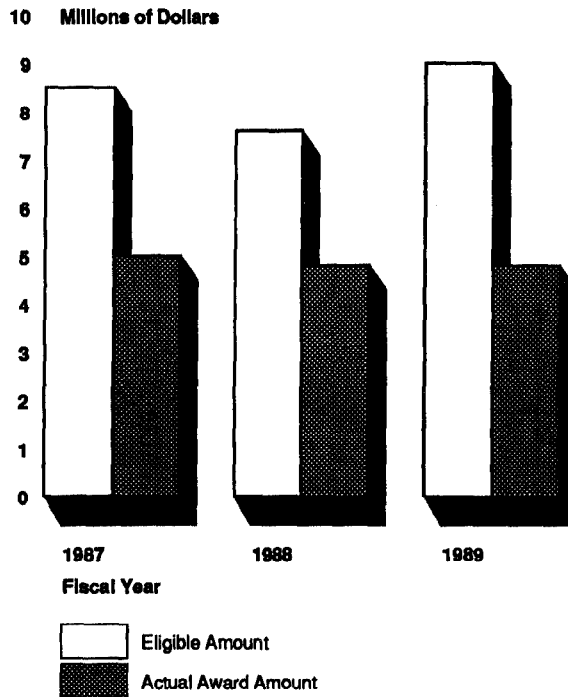
Challenge Grant Awards Have Been Relatively Small

In 1989, the median grant award was about \$57,000, ranging from about \$1,700 in West Virginia to \$993,000 in California. Forty-six states received challenge grant funds; and of these, 6 had raised more than 50 cents per child for prevention activities.⁵ The remaining 40 states were awarded grants based on 25 percent of state funds available for prevention from the previous year.

However, figure 1 shows that in 1989 and prior years the amount appropriated has not been sufficient to provide the full amount of funding for which states qualify. Consequently, award amounts have been reduced based on each state's share of the total state funds NCCAN considers eligible for matching federal funds. In 1989, for example, states received 46 percent less than the amount for which they qualified. To fully match funds made available by the states, \$9 million would have to have been appropriated in 1989. (See app. II for a state-by-state comparison of eligible funding levels and actual awards.)

⁵Challenge grants based on 50 cents per child were awarded in Alaska, Hawaii, Maine, North Dakota, Rhode Island, and Vermont.

Figure 1: Eligible and Actual Challenge Grant Awards (Fiscal Years 1987-89)



Note: Data not available for fiscal year 1986; appropriations were \$5 million in fiscal year 1987 and approximately \$4.8 million in fiscal year 1988 and 1989.

Source: NCCAN.

Most Trust Funds Are Small and Dependent on Annual Revenues

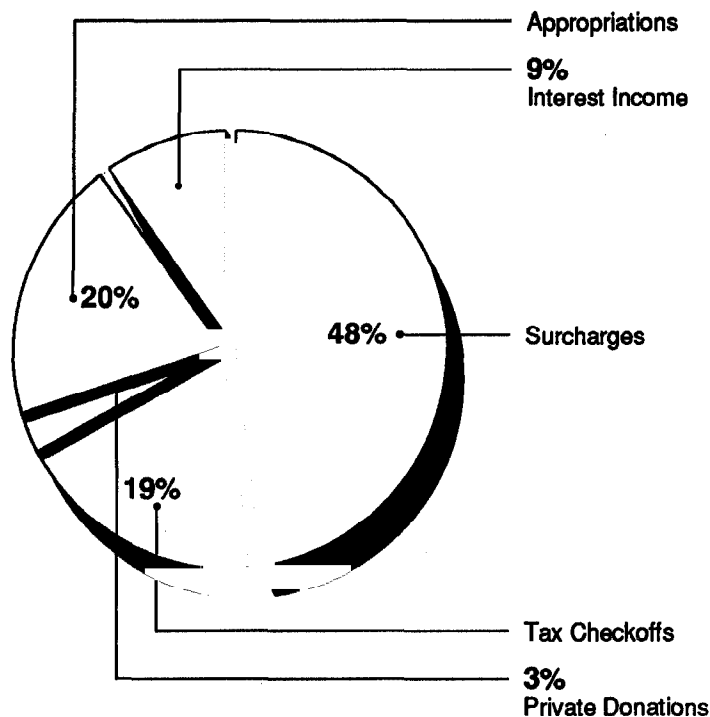
By 1989, 42 states had established trust funds, up from 18 states before enactment of the challenge grant legislation.⁶ In 1989, 39 trust funds raised a total of over \$20 million.⁷ Revenues ranged from about \$3,800 in Virginia to over \$3 million in Ohio. Median revenue was over \$240,000. (See table III.1 for trust fund revenues in all states.)

⁶Fifty-one of the 50 states, the District of Columbia, and Puerto Rico reported dedicating funding at some time to child abuse prevention. In addition to the 42 trust funds, 8 states—Alaska, Florida, Hawaii, Iowa, Louisiana, Oklahoma, Pennsylvania, and Tennessee—have direct appropriations for prevention. (See table III.2.) The District of Columbia, while having neither a trust fund nor a direct appropriation, reported that funds have been spent for prevention. Wyoming has not dedicated funds to child abuse prevention.

⁷Pennsylvania, Colorado, and Mississippi did not collect any trust fund revenues. Trust funds in four states also collected revenues for other activities, such as domestic violence prevention. The revenue information presented in this report pertains only to trust fund revenues dedicated to child abuse prevention.

States used innovative public and private mechanisms to raise trust funds, including state income tax checkoffs, state appropriations, interest income from endowments, surcharges on state licenses (such as marriage licenses), and grants from private foundations. Surcharges represented the largest proportion of revenues raised, accounting for 48 percent, as shown in figure 2.

Figure 2: Nonfederal Trust Fund Revenue Sources (Fiscal Year 1989)



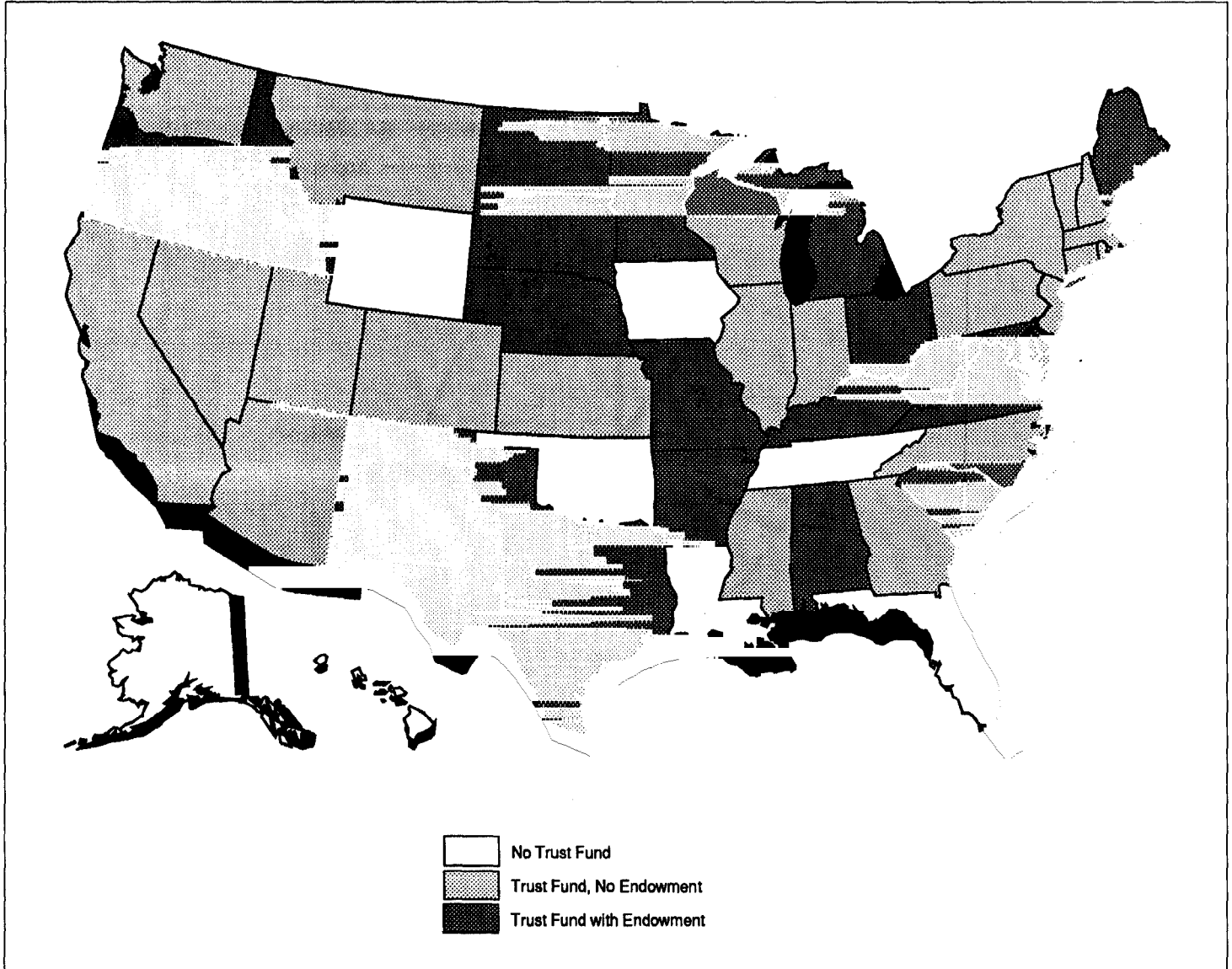
Source: GAO survey, August, 1990.

Most trust funds relied on a mix of revenue sources and received revenues that were not subject to annual appropriations. However, 10 trust funds used annual state appropriations, and 8 of these relied on such appropriations for more than 50 percent of their total trust fund revenues.

Our survey showed that 20 of the 42 trust funds operating in 1989 used an endowment as a vehicle to ensure continuing funding for program activities (see fig. 3). In 1989, at least \$13 million had been collected in

endowed trust funds.⁸ Eighteen states reported earning \$1.4 million in interest income from these endowments in fiscal year 1989.

Figure 3: States With Trust Fund Endowments (Fiscal Year 1989)



Note: The District of Columbia and Puerto Rico also had no trust funds.
Source: GAO survey, August, 1990.

⁸Only 18 states reported the amount collected in an endowment. Ohio and West Virginia did not provide us with this information.

Eleven of these 20 states had set fiscal goals designating the amount of revenue that must be raised to support the trust fund in perpetuity. Once this goal is reached, mechanisms used to raise trust fund revenues would cease. No state had yet reached its established goal, and only one had raised about 40 percent of its fiscal goal.

A few states reported recent legislative changes that could result in lower trust fund revenues. For example, changes in the state income tax form in Oregon and Indiana will likely reduce trust fund revenues. In Connecticut, the appropriation to the trust fund was cut so that the trust fund must now rely on private funding and challenge grants to fund prevention. Massachusetts reduced its fiscal goal because of state economic problems. A continuing recession or worsening fiscal crises in the states, as experienced in 1990, could threaten prevention spending in other states as well.

States Rely Heavily on Other Funding Mechanisms in Applying for Challenge Grants

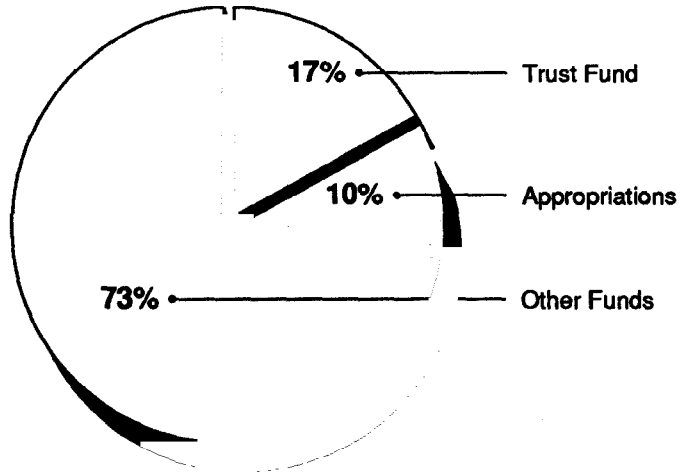
States identified a mix of funding sources used to support child abuse and neglect prevention activities in their applications for challenge grant matches. (See app. IV for sources used, by state.) Of the 42 states that had established trust funds, 34 used about \$16 million in trust funds^{9,10} in their 1989 challenge grant applications. Fifteen states, including 7 that also had trust funds, relied on dedicated line-item appropriations of about \$9 million. The other 8 states relied exclusively on appropriations for child abuse prevention revenues.

The largest portion of funding sources used to apply for challenge grant matching funds, however, came from funding mechanisms other than trust funds and direct appropriations for child abuse prevention, as shown in figure 4. These other mechanisms, primarily programs included in larger administrative budgets, accounted for \$70 million in state applications and included a broad range of programs, such as day care, teen parenting, parent education, family counseling, and respite care. Twenty-one states used other funding mechanisms in applying for challenge grants; 3 solely relied on other funding mechanisms to receive challenge grants.

⁹In addition to the three states—Pennsylvania, Colorado, and Mississippi—that did not collect any trust fund revenues, four—Massachusetts, Maryland, South Dakota, and Virginia—did not base their challenge grant applications on expenditures made from their trust funds, and one—New Hampshire—did not apply for a challenge grant. Alaska did not provide information on this portion of the questionnaire.

¹⁰States raised a total of \$20 million in trust fund revenues, but the total includes funds set aside for endowments that are not eligible for a challenge grant match.

Figure 4: Funding Sources Used by States to Apply for Challenge Grant Match (Fiscal Year 1989)

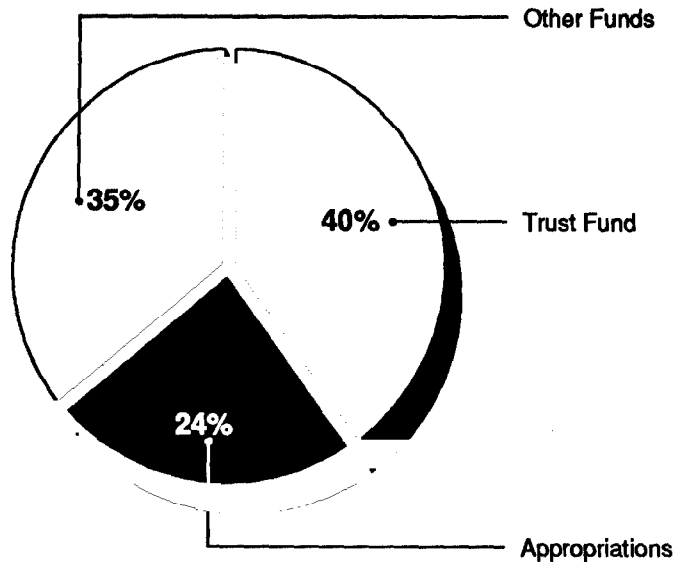


Note: Based on what states made available for child abuse prevention in fiscal year 1988.

Source: GAO survey, August, 1990.

States identified more than \$94 million in state funds made available for child abuse prevention activities in fiscal year 1988 in their applications for fiscal year 1989 challenge grants. NCCAN allowed about \$40 million of this amount to be considered for federal matching funds, after rejecting over half as ineligible. In four states, the amount disallowed accounted for \$52 million, about 95 percent of the total disallowed. After disallowances, other funding mechanisms accounted for 36 percent of the total funds eligible for matching grants (see fig. 5).

Figure 5: Funding Sources Used for Challenge Grant Match After Disallowances (Fiscal Year 1989)



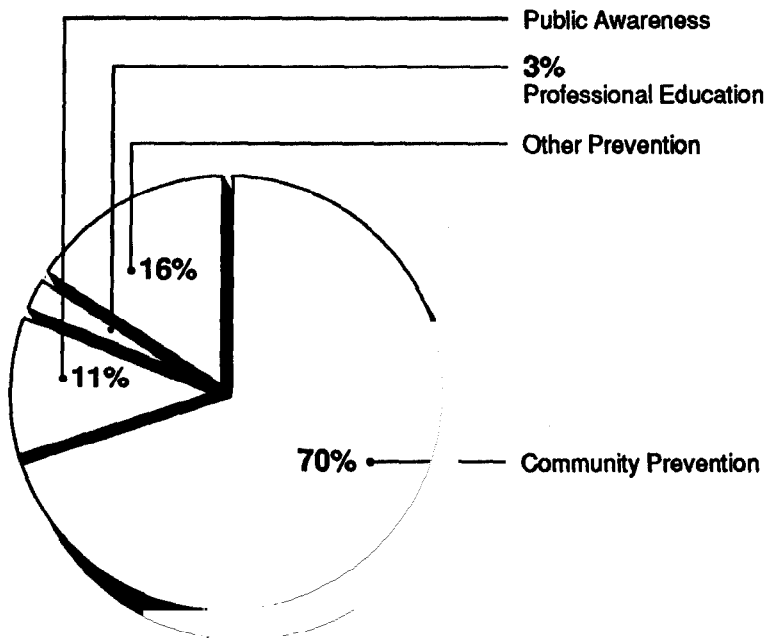
Note: Based on GAO estimates of funds disallowed by NCCAN.
Source: GAO survey, August, 1990.

States Rely on Challenge Grants to Fund a Variety of Prevention Activities

While states spent challenge grants in all four categories designated in the law, they reported spending about 70 percent of challenge grant funds on community prevention programs. (See fig. 6 for distribution of grants by program activity.) Twelve states spent 100 percent of their challenge grant funds on community prevention programs. Activities reported under this category included educational programs on parenting, child development, basic child care, coping with family stress, and sexual abuse prevention. Other community-based prevention programs noted in the law focused on crisis care, child abuse counseling, peer support groups for abusive or potentially abusive parents and their children, and respite or crisis child care.

Several states rely on their federal challenge grants to fund activities that cannot be supported with state funds. For example, 11 states reported that they were prohibited from using state funds to support public awareness or media campaigns, research or program evaluation, training for professionals, development of a state prevention plan, technical assistance to local communities, and administration. States use challenge grants to support such activities.

Figure 6: Distribution of Challenge Grant Funds by Program Activity
(Fiscal Year 1989)



Note: Based on obligations made by May 1, 1990.
Source: GAO survey, August, 1990.

Other Funding Mechanisms Complicate Grant Administration

The challenge grant legislation allows federal matching funds to be awarded to any state that has established or maintained a trust fund or other funding mechanism, including appropriations, for child abuse prevention. Broadening eligibility to other funding mechanisms, however, complicated grant administration because 21 states based their applications on prevention activities funded through general health and social service budgets. Twenty-four states more strictly interpreted the law and used only funding streams dedicated to child abuse prevention—trust funds and line-item appropriations.

Because of the wide latitude allowed in the law, HHS has been reluctant to prescribe activities and specific funding mechanisms that could be interpreted as narrower than allowed by statute. Nevertheless, in reviewing grant applications, HHS has disallowed significant portions of state applications based on their findings that these other funding mechanisms were less clearly related to child abuse prevention. The lack of professional consensus on how to prevent child abuse most effectively

compounded the difficulty in reviewing applications. HHS officials told us that four full-time staff spent about 2 months in fiscal year 1989 processing paperwork and working with states to clarify the relationship between child abuse prevention and the programs for which they sought matching funds.

Several state officials told us that they thought funding disparities occurred because of states' widely varying interpretations of child abuse and neglect prevention activities included in the law. States that applied using other funding mechanisms were able to increase their share of the total challenge grant funds. Had HHS not disallowed a significant portion of other funding mechanisms, states using only trust funds and appropriations would have received much smaller awards. Other funding mechanisms accounted for 74 percent of the total state applications; after disallowances, however, other funding mechanisms accounted for 36 percent of allowed state funds.

Conclusions

Most states have established trust funds or used other funding mechanisms to apply for federal matching funds under the Challenge Grant Program. However, these funds remain small and less than half contain an endowment. Moreover, trust fund revenues and other sources of funds are vulnerable to legislative reductions during state fiscal crises.

Because many states use mechanisms other than trust funds to apply for challenge grants, HHS spends considerable time reviewing applications to ensure that they are dedicated to child abuse prevention. However, statutory broadness and the lack of expert consensus on which prevention methods work make this a difficult process.

Absent criteria to define effective prevention activities, we believe the time incurred processing the applications is not commensurate with the size of awards. This raises questions about the efficiency of using the grant process for making these funds available. Other ways of funding the program would streamline program administration.

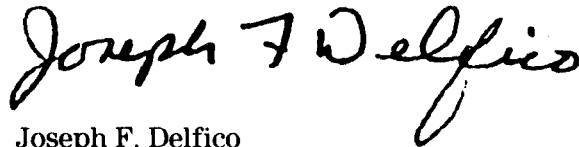
Matter for Congressional Consideration

If the Congress decides to reauthorize the Challenge Grant Program to preserve the incentive for establishing and maintaining trust funds dedicated to preventing child abuse and neglect, it should consider amending the statute to award funds by either (1) specifying more clearly which funding mechanisms qualify for matching funds or (2) substituting a formula for the grant application process.

Although we did not obtain written agency comments, we discussed the contents of this report with cognizant HHS officials and incorporated their views as appropriate.

We are sending copies of this report to the Secretary of HHS, the Assistant Secretary of the Administration on Children and Families, and the Director of the Office of Management and Budget. We will also make copies available to other interested parties upon request.

If you or your staff have any questions about this report, please call me on (202) 275-6193. Other major contributors are listed in appendix V.



Joseph F. Delfico
Director, Income Security Issues

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Abbreviations

GAO	General Accounting Office
HHS	Department of Health and Human Services
NCCAN	National Center on Child Abuse and Neglect

Scope and Methodology

We conducted a mail survey to obtain data on the (1) federal funds other than challenge grant awards used for child abuse prevention; (2) state funds, including trust funds, available for prevention; (3) state trust fund endowments; (4) sources of revenue for trust funds; and (5) expenditures for eligible prevention activities. The survey was sent to officials in the 50 states, the District of Columbia, and Puerto Rico, which were also eligible to receive challenge grant funds in 1989.¹ We received responses from all 52 respondents.

For states that had received a challenge grant award we obtained a mailing list of contact persons from NCCAN. For states that had not received an award, but had established a trust fund, we used a mailing list provided by the National Committee for the Prevention of Child Abuse. For states that did not fall into either category—Wyoming, the District of Columbia, and Puerto Rico—we sent the survey to the State Liaison Officer.² NCCAN provided us with their names and mailing addresses.

We pretested our survey in Maryland, Delaware, and New Jersey. The survey instrument was also reviewed by NCCAN, the National Committee for the Prevention of Child Abuse, and the National Child Abuse Coalition.

¹The Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau only became eligible when the statute was amended in October 1989 (P.L. 101-126).

²The State Liaison Officer is responsible for coordinating all child abuse activities at the state level.

State-by-State Comparison of Actual Challenge Grant Awards (Fiscal Year 1989)

State	State funds allowed	Award if based on		Actual grant award
		25% match of state funds	50 cents per child in state	
Alabama	\$591,706	\$147,927	\$558,500	\$79,821
Alaska ^a	1,932,562	483,141	86,000	46,405
Arizona	452,408	113,102	459,500	61,029
Arkansas	69,894	17,474	324,000	9,429
California	7,361,115	1,840,279	3,651,000	993,007
Colorado ^b	•	•	436,500	•
Connecticut	1,077,467	269,367	378,500	145,349
Delaware	323,785	80,946	81,000	43,678
District of Columbia ^b	•	•	68,000	•
Florida	4,217,352	1,054,338	1,352,000	568,916
Georgia	646,900	161,725	868,000	87,266
Hawaii ^a	1,299,321	324,830	143,000	77,162
Idaho	26,482	6,621	153,000	3,572
Illinois	659,597	164,899	1,517,500	88,979
Indiana	257,071	64,268	735,000	34,679
Iowa	314,000	78,500	366,000	42,358
Kansas	272,156	68,039	325,000	36,714
Kentucky	334,421	83,605	498,000	45,113
Louisiana	400,000	100,000	657,500	53,960
Maine ^a	909,766	227,442	151,500	81,749
Maryland	991,802	247,951	562,500	133,793
Massachusetts	225,966	56,492	668,000	30,483
Michigan	1,411,861	352,965	1,230,000	190,459
Minnesota	321,882	80,471	555,500	43,422
Mississippi ^b	•	•	395,500	•
Missouri	777,595	194,399	654,500	104,897
Montana	46,393	11,598	112,000	6,258
Nebraska	250,000	62,500	212,000	33,725
Nevada	224,728	56,182	126,500	30,316
New Hampshire ^b	•	•	133,000	•
New Jersey	1,295,197	323,799	915,500	174,721
New Mexico	227,985	56,996	223,000	30,755
New York	1,505,500	376,375	2,180,500	203,090
North Carolina	510,113	127,528	813,500	68,814
North Dakota ^a	549,582	137,396	93,500	50,452
Ohio	2,954,948	738,737	1,418,000	398,619
Oklahoma	706,700	176,675	446,500	95,333
Oregon	302,691	75,673	343,000	40,833

(continued)

**Appendix II
State-by-State Comparison of Actual
Challenge Grant Awards (Fiscal Year 1989)**

State	State funds allowed	Award if based on		Actual grant award
		25% match of state funds	50 cents per child in state	
Pennsylvania	559,426	139,857	1,425,500	75,466
Puerto Rico ^b	•	•	628,500	•
Rhode Island ^a	1,375,522	343,881	114,500	61,784
South Carolina	472,263	118,066	470,500	63,708
South Dakota	60,000	15,000	98,000	8,094
Tennessee	325,000	81,250	625,500	43,842
Texas	1,111,026	277,757	2,492,000	149,876
Utah	467,426	116,857	314,500	63,055
Vermont ^a	497,500	124,375	70,500	38,042
Virginia	400,000	100,000	729,500	53,960
Washington	274,229	68,557	584,500	36,993
West Virginia	12,332	3,083	245,000	1,664
Wisconsin	758,813	189,703	634,500	102,363
Wyoming ^b	•	•	74,000	•
Total	\$39,762,483	\$9,940,621	\$32,399,500	\$4,834,000

^aChallenge grant award based on 50 cents per child.

^bDid not receive challenge grant funding in 1989.

Note: When federal appropriations are not sufficient to fully fund state applications, awards are prorated based on each state's share of the total state funds that NCCAN considers eligible for matching federal funds.

Source: HHS, NCCAN, 1990.

Trust Fund and Direct Appropriations Revenues

**Table III.1: Total Trust Fund Revenues
and Total Trust Fund Endowment**
(Fiscal Year 1989)

	Trust fund revenues	Trust fund endowment
Alabama	\$490,333	\$445,558
Arizona	468,636	•
Arkansas	180,477	165,603
California	2,835,500	•
Colorado ^a	•	•
Connecticut	47,413	•
Delaware	42,865	146,838
Georgia	1,280,870	•
Idaho	54,968	131,535
Illinois	338,912	•
Indiana	308,734	•
Kansas	130,500	•
Kentucky	130,749	350,000
Maine	104,203	73,234
Maryland	28,850	25,000
Massachusetts	150,390	•
Michigan	1,110,869	2,893,602
Minnesota	672,375	530,601
Mississippi ^a	•	•
Missouri	579,277	1,463,470
Montana	42,952	•
Nebraska	292,424	195,324
Nevada	243,389	•
New Hampshire	171,500	•
New Jersey	339,825	•
New Mexico	236,348	478,026
New York	1,339,250	•
North Carolina	527,756	•
North Dakota	84,970	100,000
Ohio ^b	3,071,986	•
Oregon	402,866	50,000
Pennsylvania ^a	•	•
Rhode Island	63,909	•
South Carolina	293,895	151,208
South Dakota	60,000	218,199
Texas	2,784,262	5,895,054
Utah	237,995	•
Vermont	180,000	•
Virginia	3,829	3,093

(continued)

**Appendix III
Trust Fund and Direct
Appropriations Revenues**

	Trust fund revenues	Trust fund endowment
Washington	344,444	•
West Virginia ^b	31,565	•
Wisconsin	719,470	•
Total	\$20,428,556	\$13,316,345

^aTrust fund established; no revenue collected in fiscal year 1989.

^bEndowments established; but no amounts collected were reported.

Source: GAO survey, August 1990.

**Table III.2. Total Revenues From Direct
State Appropriations in States Without
Trust Fund Revenues (Fiscal Year 1989)**

	Total appropriation
Alaska ^a	•
Florida	\$3,820,949
Hawaii	400,000
Iowa	350,686
Louisiana	400,000
Oklahoma	781,221
Pennsylvania	559,426
Tennessee	\$505,000
Total	\$6,817,282

^aNo data available.

Source: GAO survey, August 1990.

Funding Mechanisms Used to Apply for Challenge Grants (Fiscal Year 1989)

State	Trust fund	Line-item appropriation	Other funding mechanism	Total state application
Alabama	\$210,711	\$0	\$12,285,365	\$12,496,076
Alaska ^a	.	.	.	.
Arizona	452,408	0	0	452,408
Arkansas	61,500	0	0	61,500
California	2,584,968	0	4,731,883	7,316,851
Colorado ^b	.	.	.	.
Connecticut	47,000	0	1,030,469	1,077,469
Delaware	19,534	0	304,251	323,785
District of Columbia ^b	.	.	.	.
Florida	0	4,217,352	0	4,217,352
Georgia	130,000	0	516,900	646,900
Hawaii	0	0	1,299,321	1,299,321
Idaho	26,482	0	0	26,482
Illinois	136,336	392,760	0	529,096
Indiana	597,000	0	0	597,000
Iowa	0	350,686	0	350,686
Kansas	131,156	141,000	0	272,156
Kentucky	58,495	63,701	212,225	334,421
Louisiana	0	400,000	0	400,000
Maine	20,042	0	889,724	909,766
Maryland	0	0	991,802	991,802
Massachusetts	0	0	225,966	225,966
Michigan	1,300,000	0	21,560,000	22,860,000
Minnesota	321,882	0	0	321,882
Mississippi ^b	.	.	.	.
Missouri	777,595	0	12,153,134	12,930,729
Montana	46,393	0	0	46,393
Nebraska	250,000	0	0	250,000
Nevada	224,728	0	0	224,728
New Hampshire ^b	.	.	.	.
New Jersey	320,197	975,000	6,632,686	7,927,883
New Mexico	102,015	0	125,970	227,985
New York	1,199,250	0	0	1,199,250
North Carolina	511,113	0	0	511,113
North Dakota	86,615	10,000	403,750	500,365
Ohio	3,226,195	149,575	3,081,506	6,457,276
Oklahoma	0	706,700	0	706,700
Oregon	143,765	0	158,926	302,691
Pennsylvania	0	559,426	0	559,426

(continued)

**Appendix IV
Funding Mechanisms Used to Apply for
Challenge Grants (Fiscal Year 1989)**

State	Trust fund	Line-item appropriation	Other funding mechanism	Total state application
Puerto Rico ^b	•	•	•	•
Rhode Island	66,365	0	1,309,157	1,375,522
South Carolina	222,347	0	1,475,000	1,697,347
South Dakota	0	60,000	0	60,000
Tennessee	0	325,000	0	325,000
Texas	1,111,026	0	0	1,111,026
Utah	225,000	242,426	0	467,426
Vermont	97,500	0	400,000	497,500
Virginia	0	400,000	0	400,000
Washington	314,531	0	0	314,531
West Virginia	12,332	0	0	12,332
Wisconsin	728,306	0	30,507	758,813
Wyoming ^b	•	•	•	•
Total	\$15,762,787	\$8,993,626	\$69,818,542	\$94,574,955

^aNo data available.

^bDid not apply for a challenge grant in fiscal year 1989.
Source: GAO survey, August, 1990.

Major Contributors to This Report

**Human Resources
Division,
Washington, D.C.**

Cynthia Bascetta, Assistant Director, (202) 275-0020
Ellen Radish, Evaluator-in-Charge
Holly Van Houten, Evaluator
Susan Lawes Sullivan, Social Science Analyst
Mary Ellen Fleischman, Computer Programmer/Analyst

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