FROM: Phyllis Schlafly

68 FAIRMOUNT, ALTON, ILLINOIS 62002 / (618) 462-5415

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BLOCK GRANTS VS. CATEGORICAL GRANTS

The Reagan Administration's most important proposal is not the budget cut passed recently with so much fanfare, but the proposal to convert some "categorical" grants into "block" grants. As pointed out before in this column, Reaganomics often suffers from a semantic problem by its use of words that mean different things to different people.

But semantics aside, the Reagan plan is important, imaginative, constructive, and would be a giant step forward for every economic, social, and political goal so devoutly sought by Ronald Reagan and by his enthusiastic followers. "Block grants" are, indeed, the heart of the Reagan program.

The spectacular growth of Federal spending and regulatory power over the last decade has spawned a steady and increasing flow of tax dollars to a big variety of special-interest groups. These are called "categorical" grants; they go to particular categories of concerns, designated and regulated by the Federal officials.

The Reagan Administration proposes to take some 83 of these categorical grants, divide them into six "blocks" which are designated for broad areas of purpose, cut overall funding by 25 percent, and then turn the money over to the states to spend among the 83 categories.

Just because funding for these programs would be cut 25 percent does not mean that there will be a 25 percent cut in services. The cost of unnecessary regulations, bureaucratic red tape, and Federal overhead is probably at least 25 percent.

The block grant proposal is an historic opportunity to do exactly what the voters elected Ronald Reagan to do: cut Federal spending, slash excessive Federal regulations, and return power, funds, and decision-making to the states.

The Congressional debate on block grants will be useful in educating the voters about the variety of special-interest programs on which our tax dollars have been spent. No wonder taxes on Middle Americans are so oppressive! Here are the proposed block grants:

(more)

1. The Social Service Block Grant would receive $3.8 billion. This grant covers funding for Day Care, Child Abuse and Prevention, Adoption Assistance, Development Disabilities, Runaway and Homeless Youth, Community Services Administration, Rehabilitation Services, and the Legal Services Corporation.

2. The Energy and Emergency Assistance Grant would receive $1.4 billion. This would cover programs of Home Energy Costs, Low-Cost Weatherization, Emergency Medical Care, and Emergency Social Services.

3. The Health Services Block Grant would be funded at $1.1 billion. This block covers 15 categorical grants including Community Health Centers, Black Lung Clinics, Migrant Health, Home Health Services, Maternal and Child Health, Hemophelia, Sudden Infant Death, Mental Health Services, Drug Abuse, and Alcoholism.

4. The Preventive Health Service Block Grant would be funded at $242 million. This block would include High Blood Pressure Control, Health Incentive, Risk Reduction and Health Education, Venereal Disease, Fluoridation, Rat Control, Lead-Based Paint Poisoning Prevention, Genetic Disease, Family Planning Services, and Adolescent Health Services.

5. The Local Education Agency Block Grant would be funded with $3.6 billion. This block would include Elementary and Secondary Education Grants, plus grants for the Handicapped, Preschool Incentive, Adult Education, Bilingual Education, Basic Skills, and Emergency School Aid.

6. A second block grant of nearly $1 billion for education programs would give lesser amounts under the Elementary and Secondary Education Act, plus grants to Severely Handicapped Projects, Regional Resources Centers, Early Childhood Education, Gifted and Talented, Educational Television, Basic Skills Improvement, Arts in Education, Metric Education, Pre-College Science Teacher Training, Career Education Incentives, Consumer Education, and Women's Educational Equity. (This last has been receiving an annual budget of $10 million.)

The problem President Reagan has in securing passage of the block grant program is that all the special interests are lobbying hard to keep funds flowing from Washington directly into their treasuries without the prying eyes of state and local officials and citizens. We would all be better off -- socially, politically, and financially -- if we reassert state and local supervision. (end)