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# Key Context & Additional Findings

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## CPCs & Public Funding: Taxpayer Funds Increasingly Support CPC Deception & Expansion

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*(CPCs are) “unfortunately capitalizing on a gap that we have in our system in terms of responding to the actual real needs of pregnant folks and the actual real needs of families.”*

—**NOURBESE FLINT**, Policy Director/Program Manager, Black Women for Wellness, California



CPCs began to secure public funding in the 1990s. Initially, most taxpayer funding diverted to CPCs came from federal welfare reform and abstinence-only education programs (despite research that abstinence “education” does not delay sexual initiation or reduce sexual activity)<sup>143</sup> and through esoteric funding streams such as “marriage promotion” programs.

In 2019 CPCs obtained federal funds through the Teen Pregnancy Prevention and Title X Family Planning Programs.<sup>144</sup> The Trump administration diverted \$1.7 million reserved for Title X<sup>145</sup> — the only federal program devoted specifically to family planning and preventive reproductive health services for low-income patients — to Obria, a California-based crisis pregnancy network “led by God.”<sup>146</sup> By law, Title X funds are expressly intended to promote equitable access to contraception; Obria has privately committed to never dispense contraception.<sup>147</sup>

Additionally, at least ten states - including one Alliance state, Pennsylvania - have diverted welfare reform funds under the Temporary Assistance for Needy Families (TANF) program, which are intended to support low-income pregnant people and families with children to meet basic needs, into CPCs.<sup>148</sup>

In 2020, CPCs also obtained federal funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.<sup>149</sup> The anti-abortion organizations steering the CPC movement continue to seek novel new sources of public funds.<sup>150</sup>

## States are Directly Funding

With federal funding fluctuating with each administration and a record number of state governments controlled by a single party,<sup>151</sup> states are now the most significant and stable source of public funding of CPCs. CPCs obtain state funding in at least 29 states.<sup>152</sup>

In 2000, three states directly funded crisis pregnancy centers. Today, at least 14 states directly fund CPCs, including two Alliance states: Minnesota and Pennsylvania. While California does not directly contract with a CPC network, California-based CPCs have nonetheless secured federal and state funds through other means.

Through state grant programs with euphemistic names like “alternatives to abortion,” and under-the-radar mechanisms such as “choose life” license plate programs and tobacco settlements, state CPC contracts are being secured, and renewed, with little public attention — even in the wake of investigations of potential waste and misuse of public funds, such as in Florida,<sup>153</sup> Michigan, Minnesota,<sup>154</sup> North Carolina,<sup>155</sup> Pennsylvania, and Texas.<sup>156</sup>



**29** Positive Alternatives (MN)

**27** Real Alternatives (PA)

**9** MediCal (CA)

**15** Title X (CA)

\* N=613 and n=185 reflects an increase in the overall and California data sample because 6 Obria-affiliated CPCs in California were opened and added after all other data were collected.

*“While the state sends millions of dollars to crisis pregnancy centers that deliberately lie to pregnant people and stop them from accessing abortion care, abortion funds and providers have to scramble to raise money to fund essential, life-affirming reproductive health care — often in situations where CPCs have delayed someone’s access to abortion and made the procedure more expensive. When CPCs lie to pregnant people about their reproductive health care options, the effects fall disproportionately on people of color and people with low incomes — following a long history of reproductive oppression against people of color. It is absolutely unacceptable and unjust for the state to fund organizations that deliberately deny people their essential rights to bodily autonomy and self-determination.”*

— **SHALYLA WALKER**, Vision Realization Advisor, Our Justice, Minnesota

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### ► Alliance Study state: Minnesota

Minnesota allocates millions of dollars annually to CPCs through its state-funded CPC program Positive Abortion Alternatives (PAA), established in 2005. Of the 90 CPCs in Minnesota, 29 (32%) receive public funding through the PAA program.

Minnesota policymakers have awarded public funds to CPCs for more than 15 years but have never conducted a comprehensive assessment of their services, practices, or use of taxpayer dollars.

An investigation by Minnesota-based Alliance member Gender Justice found egregious examples of over-funding and inefficiency in the PAA program. For example, Gender Justice found that Elizabeth House, a CPC based in a town of approximately 2,100 residents, was awarded a PAA grant of \$75,000 per year to serve an average of 57 clients per year, with only 7% of the budget funding client services; the balance went to salaries and administrative expenses. In another example, Gender Justice discovered that one rural Minnesota CPC (Choices Pregnancy Center in Redwood Falls) received approximately \$65,000 per year to serve 20 clients or fewer per year. The services the CPC provided to those clients were primarily parenting education classes,

with attendance at the classes incentivized by rewards of parenting supplies. The line item in the CPC budget for the actual parenting supplies was only \$1,200. The 2012 grant application for this CPC revealed that the area hospital serving the same population has only 100 births per year and that the hospital already provides its own parenting education classes.

These examples of over-funding and inefficiency in Minnesota's state-funded CPC program are based on partial data. Since 2018, Gender Justice has filed requests to review documents related to the PAA program, which is public information. The Minnesota Department of Health has neither promptly nor completely responded to these requests.<sup>157</sup>

### ► Alliance Study state: Pennsylvania

Anti-abortion lawmakers in Pennsylvania have funneled more than \$100 million since the mid-1990s into Real Alternatives (RA), a regional umbrella organization that oversees a network including 27 CPCs, which constitute just 17.9% of all CPCs in the state, as well as other programs such as maternity homes.

In 2016, the Pennsylvania Department of Human Services could not account for how RA spent public funds.<sup>158</sup> The auditor general concluded Real Alternatives inappropriately used public money intended for direct services to promote themselves in other states, a maneuver he characterized as "illegal and secretive skimming of public tax dollars."<sup>159</sup>

Headquartered in Pennsylvania, Real Alternatives launched pilot programs in Michigan and Indiana, and claims to have advised and educated anti-abortion activists how to replicate its model in Texas, Florida, Wisconsin, North Dakota, South Dakota, Louisiana, Nebraska, Ohio, and Minnesota.<sup>160</sup> In 2019, Michigan defunded Real Alternatives in the wake of a public complaint filed by watchdog group Campaign for Accountability (CfA), which alleged Real Alternatives "appear[ed] to have both misused taxpayer dollars and failed to provide adequate health services."<sup>161</sup>

In 2020, CfA filed a 27-page public complaint outlining "the ways [Real Alternatives] has failed to fulfill its duty to Pennsylvania families to provide adequate pregnancy and parenting services, while simultaneously inappropriately skimming money intended for service providers, and misappropriating public funding..."<sup>162</sup> The CfA complaint details a bloated advertising budget correlated with serving fewer clients; a budget that included almost \$25,000 annually to run a hotline that received an average of 156 calls a year; public money used to fund the organization's efforts to block right-to-know records requests; and exorbitant executive salaries, among other questionable expenditures.

Pennsylvania officials re-funded Real Alternatives for FY 2021-2022. Real Alternatives also continues to operate in Indiana.

### ► Alliance Study state: California

Though California does not permit state contracts with CPCs, the Alliance Study found that nine CPCs in California have billed Medi-Cal, the state's Medicaid program, for client services for which they were reimbursed by the state.<sup>163</sup>

In sum, this Study found that states that fund CPCs show a striking and consistent lack of accountability or transparency in this expenditure of taxpayer dollars. Moreover, while state policymakers continue to divert public funds into CPCs, their failure to assess the quality and content of services CPCs offer pregnant people or the consequences of those services for the public health is a serious concern, especially in the wake of multiple investigations finding evidence of extensive misuse and waste of public funds by CPCs.