



## County Welfare Directors Association of California

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# CWDA

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**To:** County Welfare Directors Association of California

**From:** Tom Joseph, Director, CWDA Washington, D.C. Office

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**Re:** Federal Update

Since mid-January, House and Senate legislative action has focused solely on crafting an economic stimulus package. Outlined below is a brief summary of the final legislation (H.R. 5140). President Bush is expected to sign the legislation this week.

The administration also released its Federal Fiscal Year 2009 budget proposal last week. An e-mail was sent to directors outlining those proposals. In brief, the congressional Democratic leadership has already rejected the proposed cuts and many of them were proposed and rejected in past years. The administration's budget does, however, place health and human services programs in a defensive posture as the budget and appropriations process begins.

**Economic Stimulus Package:** Congress failed to enact any provisions targeted specifically at low-income families. Efforts were made to include a number of economic stimulus items for those families, including boosting food stamp benefits temporarily, extending the duration of unemployment insurance, adding funding to the Low Income Home Energy Assistance Program or providing a temporary increase in the federal Medicaid contribution to states in return for states' commitment to maintain current coverage and benefit levels.

National state and local government associations, including the National Governors' Association, National Conference of State Legislatures and the National Association of Counties made intensive efforts to include the above provisions. Low-income advocacy groups and other stakeholders such as CWDA also joined in the effort. Given the predictions of an economic recession, however, the pressure to adopt quickly a bipartisan bill meant that the Democratic leadership dropped any item drawing opposition from the Bush administration.

The Senate did amend the House bill to provide tax rebates to an estimated 20 million seniors and 250,000 veterans with disabilities who did not have any earned income but did receive Social Security benefits or disability payments.

Under the \$168 billion final bill, workers who paid taxes last year on wages or investment income would receive rebate payments of up to \$600 for individuals with adjusted gross incomes under \$87,000 and up to \$1,200 for couples with incomes under \$174,000.

Workers who earned at least \$3,000 in 2007, but who paid little or no income tax, would qualify for checks of \$300. Those individuals qualifying for rebates who have dependent children under age 17 will receive an additional \$300 per child. The rebate provision will cost \$105 billion.

As with all debates around federal programs to individuals, the Senate had a lengthy discussion about the potential for undocumented immigrants to draw down rebates. A valid Social Security number must be provided in order to receive a check.

Other items in the bill include nearly \$50 billion in tax breaks for businesses in 2008 and a temporary increase in the size of a mortgage loan that the Federal Housing Administration could insure and Fannie Mae and Freddie Mac could purchase.

**Other Items:** CWDA staff continue to work on other federal issues of importance to California's counties. Recent activity included providing feedback and guidance to Representative Stark's (D-Alameda) staff on the released TANF final rule; continuing congressional and other child advocacy follow up and a search for a legislative vehicle to reverse the recent HUD decision to count KinGAP as income for purposes of determining public housing rents; Hill visits to urge federal support for kinship care programs; and a meeting later this week with Senator Feinstein's staff to discuss efforts to maintain California's flexibility in conducting criminal background checks rather than conforming to the Adam Walsh requirements effective this October.