



County Welfare Directors Association of California

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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

FFY 2009 Federal Budget

The House and Senate are expected to adopt their respective federal fiscal year (FFY) 2009 budget resolutions this week. The \$3 trillion budget document serves as a non-binding blueprint for the authorizing and appropriations committees to refer to when crafting legislation later this year. As in past years, the resolution is a very partisan measure, with no Republicans expected to endorse it. House and Senate Democrats will attempt to craft a joint resolution after the spring break which begins at the end of this week. A final joint resolution does not go to the president for his signature, since it is a broad framework for Congress to use during the year.

Although the legislative language is broad in nature, it does indicate the approaches the House and Senate will likely take over the year. Both the House and Senate budget resolutions reject the president's proposed cuts to programs such as the Community Services Block Grant and the Social Services Block Grant.

The resolutions also set the stage for a fight with the administration over the numerous proposed Medicaid regulations promulgated by the Centers for Medicare and Medicaid Services (CMS). Those regulations would shift over \$2.0 billion in costs to California in the first year alone, according to the House Oversight and Government Reform Committee. The federal savings would be realized by limiting the types of services reimbursed by Medicaid and through restricting the ability of states and counties to leverage federal funds with state matching dollars.

Under the budget rules, federal budget 'savings' are already assumed because the proposed regulations have been published. Delaying the effective date of the rules must be offset with other cuts or increased revenues.

Both the House and Senate resolutions reject the proposed Medicaid regulations and last summer's administrative directive restricting the use of the State Children's Health Insurance Program (Healthy Families). Their respective resolutions create a 'reserve fund' for the issues. This provides the House Energy and Commerce and Senate Finance Committees with direction that this is a priority. Funding would have to be found to offset the 'savings', however.

Pending Legislation

Child Welfare: As many of you know, Rep. McDermott (D-WA) introduced a comprehensive child welfare bill a few weeks ago. Entitled the Invest in KIDS Act (H.R. 5466), the bill would create a new entitlement focusing on prevention and reducing length of stays in foster care. The measure also includes a provision de-linking IV-E eligibility from the 1996 AFDC standard but would reduce the current federal matching rate in order to pay for the cost of the policy change. The legislation also gives states the option to extend IV-E foster care eligibility to ages 19, 20 or 21. Other provisions include new investments to support the workforce and allowing states to draw down training funds for public and private child-serving agencies and court personnel. The legislation also proposes extending Title IV-E to subsidized guardianships.

Chaired by Rep. McDermott, the House Ways and Means Subcommittee on Income Security and Family Support held a child welfare hearing in late February to review his bill and other issues. Chairman McDermott acknowledged that the bill may be too expensive to be adopted as a complete package, but he wants to enact some of the provisions this year if at all possible. Among the questions raised is how the de-link and federal match reduction would work and its impact on different states.

During a subsequent meeting, Ways and Means staff indicated to me and a small group of county officials that they are open to receiving questions, comments and concerns. They acknowledge that the bill is unlikely to be adopted in its current form, but would like to move some of the bill's provisions this year.

Medicaid: Placing moratoria on the pending Medicaid regulations is the top priority for all 50 governors. I attended a meeting with key Senate and House Medicaid staff and the Speaker's office earlier this month. A bill stopping the implementation of all Medicaid regulations at least until next year is likely to be introduced soon. At some point, that bill would likely be attached to a larger, must-pass legislative vehicle, since the administration would veto the bill if it stood alone.

Hill Visits with Cathy Senderling-McDonald: Last week during the National Association of Counties' conference, Cathy joined me on a series of Hill visits to discuss CWDA federal issues. Key items included discussing strategy on reversing the recent HUD decision to count KinGAP as income for purposes of determining public housing rents and efforts to maintain California's flexibility in conducting criminal background checks. We also discussed Medicaid and child welfare legislation.