



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

Date: April 10, 2012

Re: Federal Update

Capitol Hill is quiet as the House and Senate continue their two-week spring break. They return April 16.

House Budget Passes: Last month, the House adopted (228-191) its Federal Fiscal Year (FFY) 2013 budget resolution (H. Con. Res. 112). The bill serves as a guideline for the House policy and appropriations committees as they craft the actual reauthorization and spending bills for the year.

The package contains many of the same health and human services proposals rejected last year. Notably, the House Republican package once again assumes that Congress will enact legislation to block grant both the Medicaid and Supplemental Nutrition Assistance Program (SNAP). Republican leaders contend that states would have more flexibility to target assistance to their needy residents in return for a fixed amount of funding, indexed for inflation and population growth. Also proposed for a second year in a row is the elimination of the Social Services Block Grant (SSBG). The House contends that the \$1.7 billion allocated to SSBG is not well targeted and duplicates other social services initiatives.

The Center on Budget and Policy Priorities has projected that a Medicaid block grant would cut funding to the states by one-third by the year 2022, given current spending trends. For SNAP, the reduction of \$134 billion over ten years would amount to a 17 percent cut, with most of it coming from benefits, given that 90 percent of program expenditures are for food assistance.

Across Capitol Hill, Senate Majority Leader Reid (D-NV) has signaled that he will not bring to the floor a Senate counterpart to the House budget, acknowledging that such an effort would be futile, given the wide rift in budget approaches between the two bodies. Reid also pointed to the multi-year budget caps already enacted under last year's Budget Control Act, which contains the sequester mechanism if those caps are breached. Those caps essentially give the Congress direction in terms of the discretionary funding available for the year.

The FFY 2013 appropriations process is likely to be stalemated until after the November elections. The impasse between the House and Senate on adopting a FFY 2013 budget resolution and the fact that last year's House policy proposals were not even considered by

the Committees also means that the Medicaid and SNAP block grant proposals will serve as campaign fodder with no likelihood of being enacted this year.

Farm Bill/SNAP Reauthorization: Over the spring break, Senate Agriculture Committee staff have started drafting a bipartisan Farm Bill, with the hope that the Committee may mark it up late this month. No information has been leaked in terms of the approach to SNAP or other nutrition programs. There is little likelihood, however, of significant cuts to nutrition programs. If the Committee acts, the bill may come to the Senate floor before Memorial Day, but that timeline is very fluid.

The House Agriculture Committee has one final field hearing slated for April 20. The hearings have focused on support for farmers, with little to no discussion on nutrition programs. This approach is consistent with past years, given the rural nature of the Committee's membership. Nutrition programs often get more attention closer to floor action when representatives from urban and suburban areas weigh in. House Agriculture Committee leadership on both sides of the aisle have states that they will wait and see if and when the Senate is able to act on a bill before they begin their mark up.

Supreme Court Arguments on the Affordable Care Act (ACA): Last month, the Supreme Court heard an unprecedented three days of oral arguments on various challenges to the health reform law. Based on the questions posed by the justices, Court analysts predict very close, 5-4 rulings on the challenges, with ACA supporters and opponents each making their cases on which way the rulings will fall. Perhaps most surprising was the discussion on the Court over the legal challenge by Republican governors in 26 states which contends that requiring states to expand coverage under Medicaid is an unconstitutional federal act of coercion. States argue that under the ACA, they would not only lose the federal funding for the newly eligible if they chose not to expand coverage, they would also lose funding for the entire program. While no lower court has ruled favorably for the state plaintiffs, the questions on the Court that day led observers to predict that even this question may be decided by a 5-4 vote.

The Supreme Court justices have already taken private, preliminary votes on each challenge so that they may begin writing draft decisions. On occasion, those drafts do change the preliminary votes. The Court is expected to rule by the end of June, which is typically when they announce orders and decisions for that year's term.