



County Welfare Directors Association of California
925 L Street, Suite 350, Sacramento, CA 95814 (916) 443-1749
Frank J. Mecca, Executive Director

Washington, DC Office
Tom Joseph
Waterman & Associates
900 Second Street NE
Washington, DC 20002
(202) 898-1444
tj@wafed.com

MEMORANDUM

To: County Welfare Directors Association of California
From: Tom Joseph, Director, CWDA Washington, D.C. Office
Date: January 11, 2011
Re: Federal Update

New Congress Convenes

The 112th Congress convened last week. House membership consists of 242 Republicans and 193 Democrats — a net gain of 63 seats for the GOP. The freshman class of 2011 consists of 87 Republicans and nine Democrats. On the other side of the Hill, Democrats now have a slimmer 53-47 Senate majority.

The House has chosen not to conduct any substantive legislative business this week, due to the attempted assassination of Representative Giffords (D-AZ). The Senate is in recess until January 25.

Before it left last week, the House adopted its rules on procedures for considering legislation and how to pay for changes made in domestic discretionary programs. In short, the new House rules will make it nearly impossible to increase spending for domestic programs.

The Senate has not changed its rules, setting up contentious debates on any legislation that may need to be negotiated between the two bodies.

Under the new House rules, any spending increases must be offset with cuts to other existing programs. Increasing tax revenues to pay for a policy cannot be used. Furthermore, tax cuts do not have to be offset under the new rules. The rules allow the House Budget Committee chairman to exclude from the budget estimates the revenue losses created from enacting policies such as repealing health reform or permanently extending tax cuts. They also allow appropriators to set-aside domestic savings in a deficit reduction 'lock-box' instead of using them to increase investment in other programs.

In short, taxes are off the table in terms of closing loopholes to pay for initiatives and in terms of counting revenue losses due to cuts in taxes. The entire budgetary focus is on cutting domestic discretionary spending and slowing the growth of entitlements.

Congressional Timeline

Health Reform: The House vote to repeal the Affordable Care Act was slated for January 12 but has been postponed due to the shootings in Arizona. Once the House does indeed schedule the debate, no Democratic amendments will be allowed and the bill will pass. The Senate will not consider the bill, leaving full repeal dead for the next two years.

Over the coming months, the House and Senate will be holding multiple hearings on reform in an effort to sway public opinion. Republican House committee chairs have been instructed to also prepare legislative provisions that would replace the current law. For its part, Senate committees will hold hearings espousing the new law's benefits.

There will also likely be efforts in the House to cut funding from the new law or prohibit agencies from using existing resources to implement it. That strategy, too, would ultimately have to be adopted by the Senate and signed into law by President Obama.

Budget and Appropriations: President Obama is expected to deliver his State of the Union address on January 25 or 26 – he will outline his priorities for the year at that time.

The Administration's Federal Fiscal Year 2012 budget proposal is expected to be sent to Congress on February 14. The budget will provide a snapshot of the Administration's spending and policy priorities for the year, including general outlines of proposals for TANF, child welfare, Medicaid and other health and human services policies.

By March 4, Congress will have to again act to extend funding for the current federal fiscal year 2011. House Republicans propose to revert to 2008 domestic spending levels. That approach would translate to a 20 percent across-the-board reduction. House leaders have not said whether they would target specific programs to achieve those cuts.

The Senate is sure to reject such deep cuts, so it is very uncertain how this debate will play out in February.

Human Services Issues

CAPTA: Before adjourning in December, Congress adopted and President Obama signed into law a reauthorization of the Child Abuse Prevention and Treatment Act (CAPTA) (S. 3817; P.L. 111-378). CAPTA provides funding for prevention, assessment, identification and treatment of child abuse and neglect.

The allowable uses of funding will now include differential response; services for children exposed to domestic violence; and, incentives to collaborate between substance abuse and maltreatment prevention services.

Medicaid 90/10 Federal Automation Assistance Proposal: CWDA submitted comments last week supporting the proposal to fund Medicaid eligibility and enrollment automation initiatives with 90 percent federal funds in order to implement health reform. Funding is not subject to the federal appropriations process but plans must be approved by the Centers for Medicare and Medicaid Services (CMS). Maintenance and operation of the system would be supported by a 75 percent federal match.

Joined by CSAC, CWDA strongly recommended building on existing information technology systems to enhance access to and retention of coverage. It noted that the local consortia continue to lead the way with Internet-based applications and user-friendly interfaces, automated voice response systems and document imaging. Further, the systems have accommodated the significant increases in demand for programs resulting from the recent recession, a foreshadowing of the additional demand to result from health reform.

CWDA commented that, 'using the enhanced funds, counties in California can continue to build upon those capacities and are fully prepared to demonstrate that our State's system is responsive, in full and seamless partnership with the Exchanges and will deliver consumer-centered services and benefits in an efficient, effective and economical manner.'

House Ways and Means Membership

Republicans have made their appointments to the House Ways and Means Committee which has jurisdiction over TANF and most child welfare programs. The Human Resources Subcommittee has jurisdiction over those issues. The only holdover from last session's Subcommittee membership is Rep. Boustany (R-LA). The Subcommittee will be chaired by Representative Davis (R-KY).

There are no California Republicans on the Subcommittee. Membership is comprised of a number of members from the South and a mix of conservative Midwesterners. Only one hails from a county-administered state (Rep. Paulsen, R-MN).

Rep. Wally Herger (R-CA) has been appointed chair of the Health Subcommittee, which has jurisdiction over portions of health reform and Medicare. He will also serve on the Trade Subcommittee. The other California Republican on the Committee is Devin Nunes, who will serve on the Trade and Health Subcommittees.

Democratic members have not been appointed. Representatives from California who are likely to return include Stark, Becerra, and Thompson. Representative Linda Sanchez is likely to lose her Ways and Means seat, given the need to shrink the Democratic ranks.