



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

The 114th Congress convened last week and is organizing its committees and developing work plans. Any semblance of beginning the year on a bipartisan note was squashed quickly, with the House adopting pieces of legislation to proceed on building the Keystone pipeline and to change a key provision in the Affordable Care Act defining full time employment for purposes of health coverage at 40 instead of 30 hours per week. The Obama Administration has issued veto threats on both measures.

The federal budget process for federal fiscal year (FFY) 2016 will get underway soon. Next week, President Obama will give his State of the Union address to Congress. That address will likely touch upon key policy priorities he intends on pursuing this year.

On February 2, the Administration will send to Congress its proposed FFY 2016 budget. That massive document will convey the Administration's policy proposals and spending plan for the year. The House and Senate GOP leadership will declare it 'Dead on Arrival', but it will provide Democrats will a menu of policy and spending options as they counter GOP budget proposals.

Given control of both houses, GOP leadership will likely be able to craft a House and Senate concurrent budget resolution to follow when crafting the actual appropriations bills later in the year. Such a blueprint does not go to President Obama for his signature.

Congressional Outlook for 2015

While the House and Senate committees have not yet signaled what their key legislative priorities will be for the year, there are some proposals which have been offered previously which will likely resurface again. Those proposals and other items needing congressional attention are below.

On the House side, Representative Paul Ryan (R-WI) is the new Chair of the House Ways and Means Committee which has jurisdiction over most federal human services programs. Last summer, Rep. Ryan issued a paper proposing a sweeping overhaul and block granting of many human services and economic development programs. While it is highly unlikely that his entire proposal will become law, some of these concepts will surface during hearings and perhaps in legislation.

Rep. Ryan proposed to consolidate into a state mega block grant funds from the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance to Needy Families program and the Community Development Block Grant, to name a few. He also proposed to eliminate the Social Services Block Grant. As a new income support for non-custodial parents, he proposed changes to increase and revise the Earned Income Tax Credit.

Perhaps most pressing for the Ways and Means Committee is the expiration of funding on March 31 for the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program. While there will likely remain unspent funds at the local level, programs such as the nurse home visiting program and others will need financial certainty earlier rather than later in the year. On that same date, the payment system for doctors serving Medicare patients needs to be updated. Congress always passes at the last moment a so-called 'doc-fix.' If they do not, physicians will see a cut of 24 percent in their pay. Billions of dollars are needed to craft a temporary financial patch.

With respect to Medicaid, the House Energy and Commerce Committee may revive efforts to allocate Medicaid payments to states as a grant based on their per-capita expenditures. A per-capita cap would basically block grant Medicaid based on the average state spending per beneficiary, with allowances for growth and inflation based on the number of persons covered in the state. Such an approach would be especially damaging to California, since it would lock the state in at one of the lowest spending rates per beneficiary in the U.S.

The other key issue the Energy and Commerce Committee will need to address by fall is reauthorizing the funding authority for the CHIP/Healthy Families program. The authority expires September 30, 2015. The Congressional Budget Office has estimated that \$5 billion a year is needed. A long-standing bipartisan program, Congress must find new revenues or cuts to fund CHIP.

California Secretary Dooley wrote to the Committee and Senate Finance leadership last October urging reauthorization of the program. She estimated that the State would lose about \$533 million annually if the program was not reauthorized.

On the Senate side, Senator Orrin Hatch (R-UT) now chairs the Senate Finance Committee. In the last Congress, Senator Hatch sponsored a child welfare bill which proposed to eliminate federal IV-E matching funds for any foster youth spending more than one year consecutively in a non-family foster home or 18 months non-consecutively. The measure also increased funding for some child welfare programs, but did so transferring all of the funds out of the Social Services Block Grant.

Finally, programs such as TANF and the Older Americans Act still await reauthorization. Whether there is action on those items will be known later in the year.