



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

The new year began with passage of a short-term resolution to the fiscal cliff. Since then, the 113th Congress has been sworn in and little new legislative activity has occurred. While a slow start legislatively is typical for a new Congress, the critical budget decisions they face next month are not. This Update summarizes the key provisions of the January 2 fiscal cliff agreement; the passage of a key child welfare bill; and, what budget deadlines Congress and the Administration face over the next two months.

Fiscal Cliff Agreement: On New Year's Day, the Senate adopted, 89-8, *The American Taxpayer Relief Act of 2012*. Both California Senators Feinstein and Boxer voted in favor of the measure. The House voted late that evening to approve the measure by a vote of 257–167. Eighty-five Republicans, (including 11 from California) and 172 Democrats voted in favor while 151 Republicans and 16 Democrats were opposed. President Obama signed it into law (PL 112-240) the next day.

While the press focused on the continuation of most of the Bush-era tax cuts, there were a few items of importance for health and human services-related programs. The measure extended emergency unemployment benefits for one more year. It also extended the Earned Income Tax Credit, adoption tax credit and Medicaid transitional medical assistance for low-income families gaining employment.

No spending cuts were made to HHS programs, with the exception of extending already scheduled cuts to the Medicaid disproportionate share hospital payment program for one more year in Federal Fiscal Year (FFY) 2022 at a cost of \$4.2 billion.

Uninterrupted Scholars Act: Supported by CWDA, the House approved by voice vote on January 1 the *Uninterrupted Scholars Act* (S. 3472). Representative Karen Bass (D-Los Angeles) was the chief sponsor and primary proponent of the House version, the *A-Plus Act* (H.R. 5871). Adopted by the Senate in December, the bill removes barriers child welfare agencies have faced in attempting to obtain in a timely manner the educational records of children in their care.

President Obama signed the bill into law last night. The new law authorizes schools to release a student's education records to a caseworker, state or local child welfare representative, or tribal organization that has the right to access the student's case plan. It

also will allow schools to release a student's education records under court order without notifying the parent if the parent is involved in a court proceeding regarding child abuse and neglect or child dependency, and the court order is issued as a result of the proceeding.

Prior to this law, the Family Educational Rights and Privacy Act (FERPA) unintentionally created barriers which often subjected foster youth to inappropriate course placements, enrollment delays, lost credits, delayed graduation, or dropping out of school altogether.

Farm Bill Reauthorization: As expected, the House and Senate were unable to agree upon a reauthorization of the farm bill. While the entitlement nature of Supplemental Nutrition Assistance Program (SNAP/CalFresh) means that the program continues despite the lack of a farm bill, any proposed policy changes to SNAP also died with the lack of an agreement.

Proposed SNAP policy changes, however, are likely to re-surface when the new Congress begins the reauthorization process later this year. Proposals included severely restricting categorical eligibility and the coordination of Low-Income Home Energy Assistance benefits with SNAP -- the 'Heat and Eat' option California is implementing.

Federal Budget Deadlines Approaching

Congress faces a number of key budget votes early this year. They include:

Debt Limit: The Administration's Office of Management and Budget now estimates that the debt ceiling of \$16.4 trillion will be breached by mid-February. Without affirmative action by Congress to increase it, the U.S. will default on its obligations. President Obama stated yesterday that he would not negotiate on other budget cuts Republicans may offer in order for them to approve an increase in the debt ceiling. He reiterated that the August 2011 debate on raising the ceiling roiled the financial markets.

Sequestration: The fiscal cliff agreement averted for two months the across-the-board domestic and defense discretionary cuts. Without further legislative action, the 8.2 percent cut to domestic discretionary programs will be triggered on March 1, 2013.

Federal Fiscal Year 2013 Funding: FFY 2013 funding for all federal programs and agencies expires on March 27, 2013. Congress must enact another extension by then or there could be a federal government shut-down at that time, as some Republicans are suggesting.

State of the Union Address: Typically made by the President in late January, his address outlining his policy priorities has been delayed until February 12.

Administration's FFY 2014 Budget: Also delayed until sometime in February or early March is the Administration's proposed FFY 2014 budget. By law, the budget proposal is due to be sent to Congress the first Monday in February, but there is no penalty for failing to do so. The Administration argues that the negotiations on the fiscal cliff made it impossible to craft a comprehensive budget proposal by that deadline.