



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 Budget Update: The Administration's FFY 2015 Proposals

Federal Budget: The Obama administration last week released its proposed budget for Federal Fiscal Year (FFY) 2015. Their budget submittal was a month late, given the numerous delays in reaching agreements on the FFY 2014 budget that lasted into January.

The administration's proposals are very similar to last year, with the exception of a new initiative to reduce the prescribing of psychotropic medications for children in foster care (see below).

The Obama blueprint outlines a menu of policy and spending options for the House and Senate to consider when the two chambers mark up the actual legislation. The House Budget Committee will likely offer its blueprint within the month and it is once again expected to contain a series of entitlement reforms, including the block granting of Medicaid and the Supplemental Nutrition Assistance Program. Those proposals have failed to move within the House and they are expected to fail again this year.

For its part, the Senate Budget Committee has decided not to mark up a budget resolution. Senate Democratic leadership points to the recent agreement in January which already sets a cap on overall spending for FFY 2015. Without Senate action, there is no opportunity to create a budget reconciliation bill, often used as a vehicle for changes to entitlements and revenues. A reconciliation bill only needs a majority vote in the Senate, instead of the 60 votes needed to stop a filibuster. The inability to craft a reconciliation package means that there is very little likelihood of a 'grand bargain' containing entitlement cuts and/or revenue increases this year.

Below are highlights of the policy and spending proposals the administration submitted on March 7, 2014.

Human Services Budget Proposals

Foster Care and Psychotropic Drug Initiative: The administration is requesting \$250 million in mandatory funding over five years to build state capacity in using evidence-based psychosocial interventions as alternatives to psychotropic medications. A related, \$500 million Medicaid initiative is being proposed to give performance-based incentives to states to coordinate care and reduce the use of psychotropic drugs for children in foster care

identified as high-risk for behavioral health problems. The initiative is responding to HHS data showing that 18 percent of the approximately 400,000 foster children are taking one or more psychotropic medicines. A Government Accountability Office study has estimated an even higher range of 21 to 39 percent.

Temporary Assistance for Needy Families (TANF): Once again, there is no detail on a proposed TANF reauthorization. The only statement within the budget summary is one that is nearly identical to last year. HHS pledges to work with Congress to strengthen program effectiveness in accomplishing the goals of TANF by using performance indicators and ensuring that states have flexibility to engage recipients in the most effective activities to promote success in the workforce.

The administration also is proposing to 'repurpose' the TANF Contingency Fund targeted to states with high unemployment into a \$602 million *Pathways to Jobs* initiative to provide subsidized employment opportunities similar to the Emergency Contingency Fund used successfully by California's counties under the Recovery Act. Such a proposal may be considered during a reauthorization debate, but there is no movement in either the House or Senate to date to advance TANF legislation.

Domestic Trafficking Victims Program: Similar to last year's budget, a new \$10 million initiative is requested to prevent and address domestic human trafficking. The funding is requested at this point in the HHS Office of Refugee Resettlement budget, since a similar program has been authorized under its jurisdiction. Funding would be used to provide direct services, including case management and housing, and train service providers.

Community Services Block Grant (CSBG): Rejected by Congress the last three years, the administration is again proposing to cut CSBG funding by nearly half to \$350 million. Funding would be distributed to community based organizations on a competitive basis.

MCH Home Visiting Programs: Authorized under the Affordable Care Act, the budget proposes to continue and expand the program after the reauthorization expires at the end of this fiscal year. For FFY 2015, the administration requests \$500 million, an increase over the pre-sequester level in FFY 2014 of \$400 million.

Elder Justice Act: The administration is again requesting first-time federal funding for Adult Protective Services. The FFY 2014 request includes approximately \$25 million to fund competitive grants to test promising approaches to meeting the growing challenges that State and local APS programs face. The Senate last year appropriated \$8 million but the House rejected the proposal.

House CSEC Bill Introduced

Last month, the House introduced a bipartisan bill entitled the *Preventing Sex Trafficking and Improving Opportunities for Youth in Foster Care Act* (H.R. 4058). The bill addresses the need to collect data and identify and track youth who are at-risk or have already become victims of sex trafficking. It also makes some changes to child welfare services, including barring the use of Another Planned Permanent Living Arrangement for any child under the age of 16. All but one member of the Ways and Means Human Resources Subcommittee with jurisdiction over foster care has signed on as a co-sponsor. Rep. Karen Bass (D-Los Angeles) is also an original co-sponsor. A similar bill, the *Supporting At-Risk Children Act* (S. 1870), was adopted by the Senate Finance Committee in December.

