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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

Congress and the Administration face yet another budget deadline of March 27 when the current temporary extension of federal fiscal year (FFY) 2013 funding expires. Plans for next year's budgets are also being introduced this week. And, the House Ways and Means Committee has adopted legislation prohibiting HHS from granting TANF work participation requirement waivers. Details of these activities, a bill to cut SNAP and a contentious WIA reauthorization mark up are described below.

Federal Budget Issues and Deadlines

Continuing FFY 2013 Spending: Last week, the House adopted H.R. 933 extending FFY 2013 appropriations through the end of this fiscal year. The bill does not address the sequester which was triggered on March 1. President Obama and Democratic and Republican leaders have agreed that a fight to modify or end the across-the-board cuts should not stand in the way of ensuring that the government remains open, given that funding expires for most federal operations on March 27.

The Senate is expect to move a very similar bill soon. There is pressure to reach a final agreement on a House-Senate compromise bill by March 22 when both houses are slated to begin a two week Easter/spring break recess.

Sequester: Given the decision to forgo any near-term discussions over other budget alternatives to stop the across--the-board cuts, the 5.1 percent across-the-board cut remains in effect. The cut is compressed into the remaining part of the FFY, which means the effective rate of the cut is nine percent. The actual impact of the cut is trickling out, given some agencies' flexibility in managing it. Furloughs for thousands of federal employees will not begin until early April, given the requirement that they be given 30 days notice. Once it goes into effect, many federal employees will be forced to take one day a week off without pay.

How specific agencies will implement cuts to programs within their jurisdiction is still uncertain, but more information is likely to become available as the sequester continues.

FFY 2014 Budget: Today, House Budget Committee Chairman Paul Ryan (R-WI) introduced the Republican budget blueprint for the coming fiscal year. Expected to be considered and adopted by the Committee tomorrow, the budget proposes to once again

block grant Medicaid and SNAP and repeal the Affordable Care Act. All of those proposals are expected to be rejected. The budget serves as a blueprint containing a menu of options for the appropriations and policy committees to consider and does not have the force of law.

The Senate Budget Committee is also expected to release its blueprint in the coming days. It will be vastly different from the House approach. As in the past few years, there is a very slim chance that the House and Senate will agree to a compromise budget, leaving both houses to work off of separate budget roadmaps as they craft FFY 2014 appropriations bills.

Due to the fiscal cliff uncertainty earlier in the year, the Administration has signaled that it will present its FFY 2014 budget on April 8, two months late. By that time, both the House and Senate are likely to have already adopted their blueprints. The Administration document, however, will indicate what its policy and spending priorities are for FFY 2014 when the actual legislation is considered.

TANF Waiver Bill: Last week, the House Ways and Means Committee adopted by a party line vote a bill (H.R. 890) prohibiting the Department of Health and Human Services (HHS) from granting waivers to any state or county wishing proposing alternatives to the TANF work participation rate (WPR) measures. The full House is expected to consider and adopt the bill tomorrow.

Issued last July, the HHS guidance signaled that the Department would consider waivers of certain WPR requirements if the outcome was likely to result in moving more TANF beneficiaries into self-sufficiency. Since its release, Republicans continue to contend that the Administration wants to remove all work requirements from the TANF program.

Prior to the mark up, the Congressional Budget Office estimated that the bill would save the federal government \$61 million over ten years due to reduced federal fiscal penalties on states failing to meet the WPR, since it assumes that a waiver would enable a state to avoid such sanctions.

TANF Reauthorization: The current TANF reauthorization expires March 27. A stand-alone measure (H.R. 987) is likely to be considered by the House that would extend TANF through December 31, 2013. House leadership has indicated that it will attach the waiver prohibition bill to it. As of this update, the Senate has not indicated how it plans to proceed, but there is every indication that the program will be reauthorized through the end of the year, giving the committees time this year to consider a full reauthorization bill, if the committee's schedules permit.

SNAP Cuts Reintroduced: Last week, Senator Pat Roberts (R-KS) re-introduced a bill (S. 458) which contains a number of cuts to the Supplemental Nutrition Assistance Program (SNAP). Cuts totaling \$36 billion over ten years include restricting categorical eligibility and the coordination of low income home energy assistance eligibility with SNAP. The bill would also eliminate the SNAP employment and training program.

While the Democratically-controlled Senate will not consider the bill, it does serve as a marker for possible deficit reduction options or provisions to include in the farm bill reauthorization.

Workforce Investment Act (WIA) Reauthorization: Last week, the House Education and Workforce Committee marked up the Supporting Knowledge and Investing in Lifelong Learning (SKILLS) Act (H.R. 803). It was a contentious mark up, with all of the Democrats walking out of the meeting before the final vote was taken to approve the bill.

Introduced by Chairwoman Virginia Foxx (R-NC), and Reps. Joe Heck (R-NV) and Buck McKeon (R-CA), the bill consolidates 35 existing employment and training programs into a single, \$6 billion state block grant. It would also reduce the role of local stakeholders in administering workforce development programs. The measure is very similar to last year's legislation.

The full House is expected to consider the bill, perhaps as early as this week. A party-line vote is expected.

As with the last congressional session, the Senate Health, Education, Labor and Pensions Committee is working to draft a bipartisan WIA reauthorization bill. Senators Patty Murray (D-WA) and Johnny Isakson (R-GA) are the lead Senators in that effort.