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

CWDA

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

To: County Welfare Directors Association of California

From: Tom Joseph, Director, CWDA Washington, D.C. Office

Date: November 11, 2013

Re: Federal Update

Both the House and Senate are in session and face at least two major pieces of legislation -- a budget agreement and adoption of a farm bill -- before year's end. Also on the legislative short list is possible Senate action on a bipartisan adoption incentives reauthorization adopted unanimously by the House last month.

Budget Resolution and FY 2014 Federal Spending Bills

FY 2014 Budget Resolution: House and Senate budget conferees plan to meet this week to continue discussions on finding a bipartisan compromise on a FY 2014 budget resolution. The budget resolution is a non-binding measure and does not go to the president for signature. It provides a blueprint containing overall allocations to each of the 12 appropriations subcommittees which then determine the actual spending levels for the programs under their jurisdiction. Under the legislation (H.R. 2775) adopted on October 16 to re-open the federal government, the House-Senate budget conference committee has until December 13 to craft a resolution. The appropriations committees then have until January 15 to adopt 12 individual FY 2014 spending bills and/or group a number of them together into an omnibus bill.

The first meeting was held two weeks ago and members on both sides of the aisle stated that they were willing to find a middle ground. Whether they will be able to do so remains to be seen. The House and Senate budget resolutions adopted earlier in the year are $91 billion apart, with the House proposing a level of $967 billion and the Senate proposing a level of $1.058 trillion, with some new, unspecified revenues assumed to achieve that Senate spending level. The federal government would face another shutdown after January 15 if spending bills are not signed into law, but large majorities within both parties have pledged to avoid such a scenario. If there isn't an agreement, a provision within the law temporarily extending funding through January 15 makes it clear that state or local spending on programs otherwise funded by the federal government would be reimbursed once the federal government re-opened.

Labor-HHS Appropriations: Even if there is an agreement on top-line spending levels in a budget resolution, it is likely that there will not be an agreement on actual program funding under a Labor-HHS bill. Instead, the bill would be covered by a continuing resolution extending funding at current levels through the end of the fiscal year. Congress has adopted a stand-alone Labor-HHS bill only twice since FY 2002 and the current House bill funding level is 35 percent lower than what the Senate Appropriations Committee adopted this summer.

Farm Bill

Supplemental Nutrition Assistance Program (SNAP): House and Senate conferees have met formally only once, but negotiations are underway behind the scenes. The House proposes to cut SNAP by $39 billion over ten years, while the Senate measure would reduce funding by $4 billion. The House bill achieves a large share of its cuts by only allowing categorical eligibility determinations for families receiving cash assistance from other federal programs, such as CalWORKs, and by eliminating the ability of states to receive waivers, during times of high unemployment, of the provision limiting SNAP eligibility for able-bodied single adults to three months in any given 3 year period.

There are preliminary reports that negotiators may be moving toward an agreement over SNAP cuts by adopting the House version limiting the use of Low Income Home Energy Assistance Program (LIHEAP) payments as a proxy for triggering the standard utility allowance (SUA). Adopted earlier this year by California, the so-called 'heat and eat' option has been used by 14 other states to increase the number of SNAP eligible households and benefit payments by providing a nominal LIHEAP benefit to recipients. States have made LIHEAP payments of $1 annually to trigger the SUA.

The House bill would require at least a $20 annual LIHEAP benefit be paid to trigger the SUA for a savings of about $8.7 billion over ten years. The Congressional Budget Office estimates that the House provision would reduce SNAP benefits to about 1.7 million individuals who would see their household benefit cut by an average of about $90 a month. The Senate bill's only cut to SNAP is to raise the minimum heating assistance payment to $10 annually, for $4 billion in SNAP savings.

CWDA sent a letter in late October to all members of the California congressional delegation opposing any cuts to SNAP. Timing on a Farm Bill conference is still very uncertain.

Adoption Assistance and Incentives Reauthorization

On October 22, the House passed, 402-0, the *Promoting Adoption and Legal Guardianship for Children in Foster Care Act* (H.R. 3205). The bill would make a number of important changes to the adoption incentives program, including the way states may quality for incentives with a focus on improvements in rates rather than absolute numbers.

Most notable for California is a CWDA-supported provision to provide incentive payments for subsidized guardianship placements for the first time under federal law. The payments would be at a lower rate ($1,000) than adoptions ($2,000) but a Senate draft bill would provide the same financial incentive.

Additionally, the House adopted a provision long advocated by CWDA to enable successor guardians to continue to receive Title IV-E Guardianship Assistance Program (GAP) payments should a relative caregiver die or become incapacitated.

Senate Finance Committee Chairman Max Baucus (D-MT) released a draft adoption incentives bill earlier this fall, and it contains provisions similar to the House-passed measure. CWDA provided written comments supporting the Senate draft bill. Timing on the Senate side is unclear.

House Hearing on Commercial Sexual Exploitation of Children (CSEC)

On October 23, the House Ways and Means Subcommittee on Human Resources conducted a hearing on Preventing and Addressing Sex Trafficking of Youth in Foster Care. Witnesses outlined the numerous challenges in identifying and serving these youth. There was bipartisan agreement within the Subcommittee that the issue must be addressed, but there is no further schedule for consideration of legislation to address it. To date, most bills would require that CSEC protocols be adopted at the state and local level, including training of numerous entities that may come in contact with such youth. No federal funds have been identified to support these efforts. CWDA submitted a statement for the hearing record outlining the data to date on these youth and efforts at the state and county level to address the issue.

On the Senate side, Senator Orrin Hatch, Ranking Minority Member of the Senate Finance Committee, has introduced a bill entitled the *Improving Outcomes for Youth At-Risk for Sex Trafficking Act* (S. 1518). The measure does not have the support at this time of Senate Finance Committee Chairman Max Baucus (D-MT) so it will not be marked up. While it funds a number of services for youth at risk of sex trafficking, it does so by transferring all funding from the Social Services Block Grant (SSBG) to the services. Eliminating the SSBG is likely to be opposed by many groups, given that the funds are used to support a wide variety of social services nationwide. The bill also contains provisions to eliminate the Another Planned Permanent Living Arrangement (APPLA) as an option for children under the age of 16 and to eliminate IV-E foster care reimbursement for foster group homes if a child under 13 has been in such a facility for more than 15 days. For youth ages 13 and older, reimbursement would end after one consecutive year in such a placement or 18 months of non-consecutive placements.