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From: humserv-l-request@ncsl.org on behalf of Sheri Steisel [sheri.steisel@ncsl.org]
Sent: Wednesday, February 16, 2005 4:32 PM
To: Humserv-l; Healthpolicy-l
Cc: nalfo-dist@ncsl.org
Subject: Bipartisan Senate Welfare Discussions/Conference Call Wrap Up

First, thanks to all of you who took time from your busy schedules to be part of the conference call. The response was great!! We hope the following information will be useful to those of you who were on the call and also those of you who were not able to join us or had to leave early. The level of interest expressed to day helps us make the case to policymakers here in Washington, D.C. that states care about TANF, Child Care Block Grant and welfare reauthorization.

One of the main topics of the call was the impact of the current federal budget climate on welfare reform reauthorization. It is clear that if reauthorization legislation does not get completed, the TANF and child care block grants are vulnerable in the process of budget reconciliation, a process which would seek to control growth in mandatory or entitlement spending. The reconciliation process could mean as much as a 10% to 20% cut in these programs. While not cuts were not proposed in the President's budget, it's worth noting that at a hearing last last week, Congressman Wally Herger (R-California), chair of the House Human Resources Subcommittee, warned his colleagues that reauthorization was necessary to protect full funding for the block grant.

The threat of the budget reconciliation process on welfare programs has spurred bipartisan negotiations between the Chair and Ranking Member of the Senate Finance Committee (Senator Grassley (R-Iowa) and Senator Baucus (D-Montana). There have been meetings at both the staff and member level to see whether they can fashion a bipartisan approach to welfare reauthorization that would build on last year's Senate Finance Committee bill. Additionally, given the fiscal constraints on the federal government, it would be extremely difficult to get an increase for child care in budget reconciliation without a deal. It is much more likely to see a child care increase to pay for some of the increased work participation mandates inside welfare reauthorization than in budget reconciliation, where cuts are more likely.

We have attached a chart done by Jack Tweedie in NCSL's Denver office that shows the impact of a 10% or 20% cut in your states TANF and child care block grant. (It is not clear whether or not the total amount of the cut shown would be made over five years or taken in one fiscal year, but it is likely that it would be over five years.)

This is why we urged you to **urge your Senators to support bipartisan negotiations underway in the Senate Finance Committee to get a bill out of Committee and to the floor. The window of opportunity is very narrow—staff is hoping for a markup sometime in the first two weeks of March.** A good time to contact your Senators is when they are home next week over the President's Day recess. Our message is that we want a welfare reauthorization bill, that it does need additional child care funds to accommodate the increased work participation rates in the Senate bill and that the bill should include incentives to states who improve their work participation performance so they don't have fiscal penalties. As we explained on the conference call, Senators had trouble with how states referred to this provision as "penalty relief". So, we have renamed it an incentive for performance improvement. It's the same provision – as long as a state improves work participation rates by 5%, they do not face financial penalties from the federal government.

In the next few days, we will send out talking points and additional information that you or the state legislator you staff can use in your discussion with Senators. It is very important that we create a buzz over the next week so that Senators know where states are.

Please let us know what kind of response you get. And if you need further information, please contact Sheri Steisel (sheri.steisel@ncsl.org) or Lee Posey (lee.posey@ncsl.org) or call NCSL's D.C. office at (202) 624-5400.

Thanks,
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