



Maintain Momentum: Opportunities Remain on Capitol Hill for Kids

August 2008

The successful reauthorizations of Head Start and Food Stamps, the first increase in the minimum wage in a decade, and the largest increase in higher education supports since the passage of the G.I. bill are a few of the steps that the 110th Congress has made the last year towards improving the lives of children and families. Advocates must urge Congress to complete action on a few remaining pieces of legislation that will further support children and their families.

The U.S. Congress adjourned on Friday, Aug. 1, to return back to the states during the August Recess. During this time, child advocates will have the opportunity to meet with their elected officials and continue to pressure Members of the U.S. House and Senate to act in the interest of children when they return to Capitol Hill in September. When Congress reconvenes, they will be faced with many competing priorities and will have approximately 15 days to complete their legislative business before adjourning for the fall elections.

As momentum quickly shifts to the Presidential and Congressional elections, child advocates need to remind Members of Congress opportunities remain to improve the lives of children. This update provides information on unfinished priorities that the 110th Congress should address before adjourning in September.

RAISE YOUR VOICE:

Call your Members of Congress to Act! Time is Running Out!

- ★ **Health Insurance.** Voices for America's Children supports all efforts to overturn the Bush Administration SCHIP directive that has already impacted thousands of children and has forced states to halt their progress to reduce the number of uninsured children living in the United States. Congress did not address the SCHIP directive before leaving Washington, D.C. for the August Recess.
- ★ **Establishing Permanent Homes.** The Adoption Incentives Program is set to expire on Sept. 30, 2008. The U.S. House of Representatives passed their version of a bill that seeks to reauthorize the program; however, the Senate has yet to move their bill forward. Voices for America's Children will continue to call on Senators to support S. 3038, which reauthorizes the adoption incentives program and provides federal support for relatives caring for children who would otherwise be in foster care.
- ★ **Providing Needed Assistance to States and to Families in Need.** The second supplemental spending bill will fund several domestic priorities including the infrastructure, natural disaster relief, and other federal programs. Voices for America's Children supports the inclusion of a temporary increase in the federal Medicaid match for states, a short-term boost in Food Stamps for needy families, and an extension of unemployment insurance benefits for families facing a job crisis. Both policies were omitted from the Senate version of the supplemental. Voices for America's Children supports their inclusion in the

The SCHIP Directive: Momentum Stalls to Reduce the Number of Uninsured Children

Last August (2007), the Centers for Medicare and Medicaid Services issued a memo that placed additional criteria on states that have or are seeking to expand their child health insurance coverage program (for further details, click [here](#)). According to [analysis](#) completed by the Georgetown Center for Children and Families, tens of thousands of children have already lost out on health care coverage and at least 23 states will be affected by the Bush Administration directive, which is scheduled to take effect this month.

Earlier this year, the Government Accountability Office (GAO) and the Congressional Research Service (CRS) released reports concluding that by issuing the SCHIP directive, the Bush Administration violated statutory requirements for Congressional notice and review.

Throughout this year, Members of the House and Senate have attempted to nullify or delay implementation of this harmful administrative decision. Most recently, Senators Rockefeller (D-WV), Baucus (D-MT) and Snowe (R-ME) introduced a bipartisan “resolution of disapproval,” [SJR 44](#), that sought to reverse the directive. The resolution pointed to the legal opinions issued by the GAO and CRS which stated that the administration violated statutory requirements for Congressional notice and review as required under the Congressional Review Act (CRA). Unfortunately, one day before the Senate Finance Committee was scheduled to vote on SJR 44, the sponsors were informed that the resolution would not be protected under the CRA since a filing deadline was not met. Without having the CRA protection, the resolution would have been opened up to a potential filibuster when it moved to the Senate floor. Senators Baucus and Rockefeller issued a [press statement](#) stating their commitment to reverse this harmful Administrative directive. The resolution was supported by 45 Members of the Senate from both sides of the aisle.

When Congress returns to Capitol Hill in September, elected officials will once again have an opportunity to nullify the Administration’s decision that limits a state’s ability to provide more children with access to affordable health care services. Voices for America’s Children anticipates that Sen. Frank Lau-

tenberg (D-NJ) will once again offer an [amendment](#) that will seek to delay the implementation of the SCHIP directive when Congress returns to Washington, D.C.

State elected officials across the country continue to make progress to incrementally reduce the 9 million children uninsured; the federal government should support this momentum, not put up another administrative hurdle. States have made children’s health a top priority, so should the federal government. Voices for America’s Children supports all efforts to overturn the Bush Administration directive that has already impacted thousands of children and has forced states to halt their progress to reduce the number of uninsured children living in the United States.

RAISE YOUR VOICE!

Take Action Today to Reduce the Number of Uninsured Children

- Ask your Members of Congress to nullify the impact of the SCHIP directive in September. Express to them your disappointment of not addressing the SCHIP directive before leaving for the August Recess.

Key Opportunity to Improve Foster Care Services Awaiting Action

Over the past decade since the creation of the adoption incentives program, over 443,000 children have found permanent homes through adoption. Yet, even with this progress, over 127,000 foster children in America are waiting to be adopted.

Sen. Charles Grassley (R-IA) recently introduced the [Improved Adoption Incentives & Guardianship Support Act](#) (*S. 3038*) which seeks to reauthorize the Adoption Incentives program. The program will expire by the conclusion of the fiscal year, September 30th, unless Congress reauthorizes the program. The Senate bill would allow states to receive bonuses for the amount of adoptions completed each year and would provide additional incentive payments for the adoptions of special needs or older children from foster care. The legislation also would provide federal supports for relatives who care for children who would otherwise be placed in foster care.

In the House, the [*Fostering Connections to Success Act*](#) (H.R. 6307), which has passed, also reauthorizes the Adoption Incentives Program, but also provides much broader federal investments for foster care improvements. For the first time, kin and guardian caregivers, former foster youth up to their 21st birthday, and tribal nations would have access to Title IV-E Foster and Adoption Supports. In addition, private child welfare agencies would have access to IV-E training supports. The measure also promotes greater health and education stability and coordination for foster children.

The House and Senate measures both set the stage to benefit:

- The more than 25,000 youth who “age-out” of foster care each year without any supports
- Over 140,000 children in foster care who are living with grandparents or other relatives
- Over 10, 000 American Indian/Alaska native children in foster care

The provisions included in the House and Senate legislation also represent adoption of key provision recommended by the [*Government Accountability Office*](#) that calls for additional federal investments in kinship and legal guardianship as a priority to address the disproportionately within child welfare. Advocates are currently waiting for the Senate Finance Committee to complete action on S. 3038. The Adoption Incentives program must be reauthorized to allow states to continue to improve a child’s adoption placement opportunities. Without action on Sen. Grassley’s bill, any opportunity to advance on the other improvements to support foster children made in the House will be lost.

RAISE YOUR VOICE!

Take Action Today to Increase Permanent Homes for Children!

- ★ Ask your Senator to support S. 3038, which reauthorizes the adoption incentives program and provides federal support for relatives caring for children who would otherwise be in foster care. Inform your Senators today that without Congressional action, the adoption incentives program will expire on September 30 of this year.

Appropriations Update: Limited Action, Attention Directed Toward Supplemental Spending Bill

It’s unlikely that Congress will finish its 12 appropriations bills before the November election. To keep the government operating, Congress will have to pass a “continuing resolution” when Members return to Capitol Hill in September. A continuing resolution—(“CR”) — a short-term measure needed to fund government operations in the absence of appropriations bills— will keep the government running at 2008 levels through the beginning of next year so that budget negotiations can begin with a new President. The Democratic leadership wishes to avoid engaging in a contentious budget battle with Pres. Bush, who is not only a “lame duck” President but has already threatened to veto any appropriations bills that exceeds the spending target outlined in his budget proposal released earlier this year. Initially, both the House and Senate planned to pass its spending bills, but procedural maneuvers by Republican Members to force the issue of offshore oil drilling in the wake of high gas prices has stymied many of the appropriations bill markups. The federal fiscal year begins October 1st.

Election year politics, the high price of gas, and the sagging economy have had an impact on the appropriations process. Members of Congress are grappling for solutions to address these complex problems. Appropriations bills have traditionally been the vehicle for attaching solutions to time sensitive policy issues, such as rising gas prices, particularly in an election year. House Appropriations Chairman Obey (D-WI) and Senate Majority Leader Reid (D-NV) have indicated they intend to move at least two spending bills in their respective chambers before Congress convenes in September: the Military Construction-VA (“Mil Con-VA”) and Defense. The House passed its Mil Con-VA bill before the August recess. It is likely that the CR will be attached to either of the two spending bills that will be considered. This action could set off a firestorm for Republicans, who are pressing for greater consideration of energy producing options, namely lifting the ban on offshore drilling. Either way, attaching the CR to the Mil Con or Defense bills would decrease the likelihood that Republicans would take measures to block passage given that spending affected would be for veterans or for the Pentagon.

Instead of working on separate appropriations bills, the Democratic leadership has decided to focus its attention, among other things, on putting together a second

supplemental spending package. (The first supplemental spending package—passed in June—focused largely on war spending with some domestic spending.) This second package will focus largely on domestic priorities and will likely be a vehicle for Congress to move more immediate spending needs that could also serve as an economic stimulus for the sagging economy. Neither the House nor the Senate plan to take up the second supplemental appropriations package until after the August recess though originally the intent was to pass the bill before the recess.

What is the supplemental likely to contain?

Prior to the August recess, Senate Appropriations Chairman Byrd (D-WV) released the components of its version of the second supplemental. The price tag for the total package is likely to be in the \$24 billion dollar range and is likely to seek federal investments for the following:

- Funding for infrastructure projects: \$10 billion
 - Funding for the Women, Infants, and Children (WIC) Program: \$450 million
 - Job training programs: \$500 million
 - Construction program to build safer schools: \$850 million
- Low Income Home Energy Assistance Program: \$1.25 billion
- Program to assist low-income families reduce their energy expenses: \$250 million
- Natural disaster assistance funding for the Mid-West and other programs directed toward the Gulf Coast restoration: \$10.1 billion

Initial reports on the content of the supplemental included an increase in the FMAP—the federal Medicaid match—for states; a short-term increase in Food Stamps; and a temporary extension in unemployment insurance benefits. All were absent from the Chairman Byrd’s mark released before the recess.

RAISE YOUR VOICE!

Take Action Today to Provide Needed Financial Assistance to States!

- ★ States can benefit from greater federal aid as they are experiencing increased demand for Medicaid services in the wake of the nation’s economic downturn. This aid could come in the form of a short-term FMAP adjustment, by which, states would receive an increase in federal dollars to offset the demand on their Medicaid programs.
- ★ A short-term infusion of dollars to the Food Stamp Program would give needy families more buying power as food prices increase. Applications for benefits are also increasing as a result of the shaky economy.
- ★ An extension of unemployment insurance could help families, who have been stricken by a job loss to take care of their families.

Tax Extenders Bill” Update: Senate Bill increases access to the Child Tax Credit and Extends the Tuition Credit

The Senate Finance Committee released an “updated” version of the “tax extender bill” (S.3335). This legislation extends certain tax provisions that expired at the end of 2007. Among the tax proposals offered, a key change was made in the child tax credit. If this provision makes it into law, it will lower the refundability threshold for families taking the tax credit from \$12,050 to \$8,500. This action means that approximately 3 million children in families who are not eligible to take the credit under the current threshold would become eligible. An additional 10.1 million children in families would receive an increase in their refund above what is currently received. The Senate language mirrors that of the House, which passed its bill in May that lowered the child tax credit.

The bill also includes language to extend the tuition credit for “qualified” educational expenses for one year. In 2007, this deduction was \$4,000 for tax filers with adjusted gross income of \$65,000 or less (\$130,000 for joint filers). Many college students and their parents utilize this credit to offset a portion of rising college expenses.

Click here for [a statement from Senate Finance Committee Chairman, Max Baucus \(D-MT\)](#) that contains a breakdown of the proposals included in the bill.

The [Center on Budget and Policy Priorities](#) released a paper containing a [state-by-state breakdown](#) of the numbers of children helped by the credit as well as those who will receive a larger credit if the bill passes.

RAISE YOUR VOICE!

Take Action Today to Reduce Child Poverty!

- ★ Ask Members of Congress—particularly Republicans—to support this bill, because it includes important tax proposals for children and families, like the child tax credit. Strengthening the child tax credit would make a difference in the lives of low-income working families with children in the same way AMT reform would make a difference in the lives of middle income families.
- ★ Remind Members of Congress that we support an expansion of the earned income tax credit. It has been a success tool toward alleviating child poverty, and it is a vital support for working families.