



CALIFORNIA
STATE
ASSOCIATION
OF COUNTIES

January 24, 2006

Dear California Congressional Delegation Member:



CSDA

CHILD SUPPORT
DIRECTORS
ASSOCIATION

The undersigned California county associations urge you to vote “No” on the pending budget reconciliation bill (S. 1932).

The proposed federal cuts to health and human services disproportionately affect California, its counties and the residents they serve. We urge you to carefully re-consider the legislation, given that you had only a few hours in the middle of the night to review the 700-page measure before December’s vote. The bill contains a number of provisions that were not in either the original House or Senate bill. Despite claims to the contrary, the measure will harm vulnerable Californians.



CWDA

COUNTY
WELFARE
DIRECTORS
ASSOCIATION

Many of the budget cuts affect the same families, and would have a compounding effect if implemented as a whole. We have the following objections:

Child Support

States would be prohibited from receiving federal matching payments when reinvesting child support performance incentives back into the program. This prohibition would reduce funding to California’s Child Support Program by over \$90 million annually. If these funds are not replaced, collections to support children and families will be reduced by at least \$200 million annually. This reduction will have a devastating impact on California’s most vulnerable population and will likely result in children and families falling onto costly public assistance. The Congressional Budget Office (CBO) estimates that the legislation will cause \$8.4 billion in child support owed by custodial parents nationwide to go uncollected over the next 10 years.



COUNTY HEALTH
EXECUTIVES
ASSOCIATION

The current performance based funding system works, and does exactly what it was designed to do. By 2004, states had doubled their collections rate and improved their performance on every other measure. In California, collections have increased by \$600 million since 1999, largely attributable to an incentive system that rewards performance with additional federal resources. In fact, the Office of Management and Budget has rated the child support program among the most effective federal programs because of its focus on performance and measurable results. Preventing states from using earned federal incentives to draw additional resources to invest in local programs will reverse the positive gains made in the program. We urge you to strike the incentive matching prohibition from the conference report.



CALIFORNIA
MENTAL HEALTH
DIRECTORS
ASSOCIATION

Child Welfare

California counties and residents will bear the vast majority of the proposed child welfare cuts. The changes would reverse the progress California has made, with approximately 79 percent of the net federal funding losses borne by California alone.



CHIEF
PROBATION
OFFICERS OF
CALIFORNIA

Under S. 1932, fewer relative caregivers would be eligible for federal Title IV-E funding, undercutting our ability to place abused and neglected children with members of their own families. Federal law and best practices dictate that children should be placed with relatives whenever possible. Overturning the Rosales v. Thompson case will affect 4,000 California families by forcing the State to backfill millions of dollars of lost federal funding or reduce payments to relative caregivers, who are predominantly low-income themselves. This will destabilize these homes and require us to place more children with strangers – often miles away from their original homes – disconnecting them from their families, friends, schools and communities.

S. 1932 also includes a set of changes that were universally opposed by child welfare advocates when they were proposed by the Administration as regulations. These changes would limit states' ability to place medically fragile foster children into homes that can care for them, negatively impact relative caregivers and reduce services to children who are at risk of being placed into foster care.

Additionally, the bill transfers the full cost of providing foster care case management services for youth who transition from juvenile halls, psychiatric hospitals and similar institutions into licensed foster care homes or facilities to the State of California and counties after the minor has been in a licensed foster care home or facility for 30 days. Probation youth placed in foster care by the Juvenile Court are some of the most needy, high-risk youth in the system. They must have continuing case management services to succeed. It will be extremely difficult for states to meet federal outcome goals of family reunification and permanency for youth if these changes are enacted.

Changes to the Targeted Case Management (TCM) rules under the Medicaid program also will impact our ability to intervene with families that are at risk of abuse or neglect, and to provide less intensive, less expensive community-based services designed to prevent these families from coming into the child welfare system.

Temporary Assistance for Needy Families Block Grant (TANF)

TANF is long overdue for reauthorization. However, reauthorizing it through the budget reconciliation process has resulted in a package that received little to no public debate and contains unobtainable timelines, requirements and huge fiscal penalties. Based on CBO estimates, it will cost California and its counties \$400 million in 2007 alone to increase the work participation requirements. In less than nine months, the State must adjust to meet the new requirements or risk up to \$185 million in federal sanctions unless it places an additional 60,000 TANF participants in work. These requirements place a federally-imposed bureaucratic process over a system that has made great strides since the enactment of TANF in 1996.

Meeting the additional work requirements requires a huge investment in support services. The bill, however, provides only \$1 billion over five years in new child care funding. California would receive about \$20 million each year, in sharp contrast to the \$375 million to \$450 million annual cost estimated by the non-partisan California Legislative Analyst's Office.

Under TANF, states have had significant flexibility to implement programs that would help families move from welfare to work. California and other states used this flexibility to help unprecedented numbers of recipients move into the workforce, supported by services such as child care, transportation and training. This bill will reverse those gains.

Medicaid

Case Management and Targeted Case Management (TCM): Counties also oppose the proposed restrictions of federal reimbursement for Medicaid case management and targeted case management (TCM) services. Counties use these tools to ensure that special needs populations, including those with serious mental illness, receive a comprehensive package of services to improve their health outcomes.

The third party liability language of the bill that applies to any activity that "might be provided in any medical, social, educational or other programs" could severely restrict the level of services counties provide. In California, case management is an integral part of the services provided to persons with serious emotional disturbance and serious mental illness under our county managed Rehabilitation Option mental health carve out. It is key to allowing beneficiaries to remain in community-based treatment – and out of less effective and more expensive institutional care. Without TCM, counties would not be able to provide the additional case management services necessary to assure that clients have full access to needed services.

As currently drafted, this language also leaves the door open for federal regulators to impose heavy regulatory burdens on community-based services, contrary to Congressional intent.

Citizenship Documentation: Beginning July 1, 2006, S. 1932 requires every applicant for Medicaid, and every current Medicaid recipient at the time of their annual renewal, to prove U.S. citizenship by providing a birth certificate or passport. There are no exceptions to the requirement, even for people who have no birth certificate, are very old or have a disability. Applicants who have neither document could have their coverage denied or seriously delayed; current beneficiaries who have neither document could lose coverage altogether.

This 'solution' to a problem that does not exist will negatively impact as many as eight million Californians each year who are otherwise eligible for the program and will require substantial state and county administrative efforts to implement. The U.S. Department of Health and Human Services has found no substantial evidence that immigrants are falsely claiming citizenship in order to receive benefits. Legal immigrants are already required to provide proof of their legal immigrant status; most states allow U.S. citizens to attest, under penalty of perjury, that they are citizens, and ask for documentation if they have reason to believe otherwise. HHS has found no problems with this approach.

Many Medicaid applicants lack passports and do not have birth certificates in their possession, if at all. Numerous applicants will be affected including those whose birth certificates have been destroyed; those who have a medical emergency and cannot obtain their records quickly enough; those who cannot afford the fees to obtain a copy of a birth certificate; those who never had a birth certificate, such as the many elderly African American citizens whose births were never recorded; the homeless, persons with mental illness or severe disabilities and nursing home residents.

California's elected county supervisors and the directors who administer these programs urge you to vote 'No' on the budget reconciliation bill. The legislation would do direct and substantial harm to some of the nation's most vulnerable children and families.

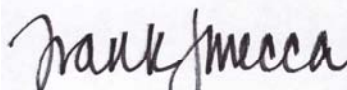
If you have any questions regarding the information contained in this letter, please contact:

- Tom Joseph of Waterman & Associates, Washington representative of CSAC and CWDA, at 202-898-1444;
- David Oppenheim, Executive Director of CSDA, at (916) 446-6700;
- Norma Suzuki, Executive Director of CPOC, at (916) 447-2762;
- Patricia Ryan, Executive Director of CMHDA, at (916) 556-3477; or
- Judith Reigel, Executive Director of CHEAC, at (916) 327-7540.

Sincerely,



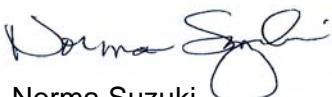
James Keene
Executive Director
CSAC



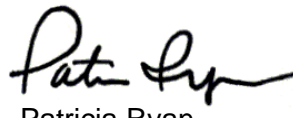
Frank J. Mecca
Executive Director
CWDA



David Oppenheim
Executive Director
CSDA



Norma Suzuki
Executive Director
CPOC



Patricia Ryan
Executive Director
CMHDA



Judith Reigel
Executive Director
CHEAC