

Federal Issues Of Interest

Temporary Assistance to Needy Families Block Grant Re-authorization. Pending bills would require clients to work more hours, reduce the types of services that count as work, and require states to have a higher number of clients in actual work activity. This may provide difficulties for clients with multiple barriers and impair the ability of states to meet federal work participation requirements.

Re-authorization of the Workforce Investment Act (WIA): Title IV of WIA is the Rehabilitation Act, which authorizes vocational rehabilitation and independent living services for people with disabilities. House action has occurred through HR 1261, and the Senate is expected to take up the issue in June unless other more pressing issues rise to the top of the national agenda. Among the key issues being debated are whether a portion of Rehabilitation Act funding for services for people with disabilities should be made available to support the infrastructure costs of the one-stop employment system and whether funding should be targeted to expand services to help special education students with disabilities transition to post-secondary education, other adult services, or employment.

Changes to Federal Child Support Distribution Policy. There continues to be a push for passing through more of the child support collected to the family, whether through TANF re-authorization or other legislation. This will significantly impact the funding of the Child Support Enforcement Program as the state's share of administrative expenses is currently funded from retained collections. It will also require considerable reprogramming of states automated systems.

Child Care Re-authorization. Pending bills would increase funding by \$1 billion over five years, would require that a professional development system for child care providers and a school readiness system be established for young children with standards linked directly to the K-12 standards, and would require that Kansas evaluate how the quality of child care available is being improved by developing quality targets and reporting annually on the progress in achieving the targets identified.

Child Welfare Option. The Bush Administration has proposed changing the way foster care and adoption services are financed by the federal foster care Title IV-E program, moving from entitlement to block grant funding. The proposal allows states to adopt this option within a year after enactment. Potential implications are that it could result in greater flexibility in use of the funds, yet may reduce the amount of federal IV-E funding the state receives to provide maintenance and care for children.

2002 Farm Bill. This legislation re-authorized the Food Stamp Program and will continue to impact food stamp policies in Kansas. Two primary issues are the expansion of coverage for qualifying immigrants and the option to adopt a simplified reporting system.

Fatherhood Initiatives. The issue of responsible fatherhood continues to garner considerable attention from the Administration and Congress. Federal funding through grants and programs tends to target low income fathers and include emphasis on policies that would promote the

payment of child support. The Kansas Child Support Program is participating in a federally-funded pilot project for employment and legal services to qualifying fathers.

Family Formation and Marriage Initiatives. The issues of marriage and reducing out-of-wedlock births also continue to garner considerable attention from the federal administration and Congress. The President has targeted marriage promotion as a priority issue for his administration. Pending TANF reauthorization bills include competitive grant funds for marriage promotion activities

Ongoing Implementation of Ticket to Work Legislation. Implementation of Ticket to Work is underway in Kansas. This legislation is intended to help recipients of SSI or SSDI become self-sufficient, and to increase their choice of service providers or "Employment Networks." National debate focuses on the cost effectiveness of this new system, and whether the existing payment system provides adequate incentives to increase the number of Employment Networks willing to provide comprehensive employment-related services.

Medicare Prescription Drug Coverage. Some in Congress are discussing adding a prescription drug benefit to Medicare. If such a drug benefit were added, the Medicaid cost of serving those who have dual eligibility would decline significantly. Since the cost of Medicare is fully covered by the federal government and Medicaid is a state/federal program, increased coverage in Medicare would result in savings to the states.

Increased Assistance to the States. The tax bill recently passed by Congress contains additional direct assistance for the states. Part of the assistance will take the form of increased federal medical assistance percentage rates. The remainder will be distributed to states based on population and can be used for other purposes. If the President signs the resulting bill, this would result in significant increased federal revenue to Kansas.

Maintenance of Effort Waivers. The recent allotment reductions taken by SRS in the last year have reduced the amount of state funds spent on addiction and prevention services and community mental health. The federal block grants for these programs require the state to maintain its fiscal effort for these programs. As a result, Kansas will likely have to request a waiver of maintenance of fiscal effort for these programs from the respective federal agencies.

HIPAA. The privacy and transaction rules for the Health Insurance Portability and Accountability Act are being implemented this year. This is having a profound impact on all health care. In the fall of 2003, SRS will be implementing a new HIPAA-compliant Medicaid Management Information System.