



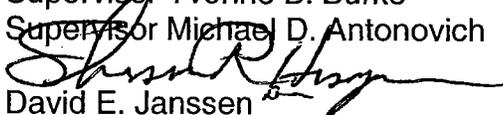
County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

July 30, 2004

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Yvonne B. Burke  
Supervisor Michael D. Antonovich

From:   
David E. Janssen  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**WASHINGTON D.C. UPDATE**

Congress recessed last week for the Democratic and Republican conventions and will return after Labor Day. In September, they face a long list of unfinished legislative items. All Federal Fiscal Year (FFY) 2005 appropriations bills of County interest either have been approved by the House Appropriations Committee or passed by the House, but the Senate Appropriations Committee only has approved the Homeland Security appropriations bill. Most, if not all, of the FFY 2005 appropriations bills are likely to be combined in an omnibus appropriations bill. While the Republican leadership hopes to adjourn both houses for the year in early October, it is unclear whether agreements can be reached on an omnibus package containing all the remaining spending bills by that time. If not, Congress will likely return in November for a lame duck session.

There was Congressional action on a number of items of County interest before Congress recessed, as summarized.

**FFY 2005 VA/HUD Appropriations Bill:** The House Appropriations Committee approved its FFY 2005 Veterans Affairs/ Housing and Urban Development appropriations bill though the Committee has not yet issued its committee report on the bill. The Committee did not adopt the Administration's proposal to cut the Section 8 Housing Choice Voucher (HCV) program by more than \$1 billion. Instead, HCV funding was increased by \$582 million (4.6%) above the FFY 2004 level. According to the National Association of Housing and Redevelopment officials, this increase gets public housing authorities closer to adequate funding for all vouchers in use during the year. We understand, however, that the Committee included language providing that HCV

allocations be dollar-based rather than unit-based, as supported by your Board. To finance the increased HCV funding, other housing and community development programs were cut by an average of four percent. We will provide your Board with more detailed information on the program funding levels after the committee report on the bill becomes available.

**Transportation Reauthorization Bill:** Reauthorization of Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) surface transportation programs continues to be stalled. House and Senate conferees have been unable to agree on an overall funding level for the six-year reauthorization bill. Consequently, they have adopted a number of short-term extensions to fund transportation programs. A fifth extension (H.R. 4916) was adopted prior to the recess. Due to disagreements over the status of high-priority highway project funds, and a provision to boost funding for "donor" states, such as California, which contribute more in gas taxes than they receive in Federal highway dollars, TEA-21 highway programs were extended through September 24, 2004, while remaining TEA-21 programs were extended through September 30, 2004.

Committee staff was instructed to work over the recess to try to craft a compromise acceptable to the Administration, House, and Senate. It is uncertain whether they will be successful.

**Homeland Security Grant Authorization:** Prior to the recess, Representative Cox (R-CA), Chairman of the House Select Committee on Homeland Security, unsuccessfully attempted to bring his first responder grant bill (H.R. 3266) to the floor under suspension of the rules, which allows expedited consideration of legislation. Besides Cox's Committee, three other committees (Energy and Commerce, Judiciary, and Transportation) have passed differing versions of the bill. As reported previously, the County supports language in the Select Committee's version, which would allocate homeland security funds based on threat levels and critical assets without a small state minimum requirement, and which would allow regions, such as Los Angeles County, to apply for direct funding.

**Child Welfare Financing Reform:** On July 13, 2004, the House Ways and Means Subcommittee on Human Resources held a hearing on child welfare financing reform proposals that included testimony from the Pew Commission on Children in Foster Care, which recently issued a major report on reforming the foster care system. Last week, Representative Herger (R-CA), who chairs the Human Resources Subcommittee, introduced H.R. 4856, the Child Safety, Adoption, and Family Enhancement (Child SAFE) Act of 2004, which would significantly change the financing of child welfare services, including foster care.

Under current law, the Federal government provides Title IV-E foster care and adoption assistance funds to states on an open-ended matching basis. The current Federal IV-E match rate for California is 50%. As amended by the 1996 Federal welfare reform act,

Aid to Families with Dependent Children eligibility requirements that were in effect in August 1996 are used to determine Title IV-E eligibility. Under H.R. 4856, annual Title IV-E foster care and adoption assistance funding, including for administration and training, would be capped, and the Federal match rate for California would be reduced to 32.5% for foster care and 42.5% for adoption assistance. States, however, would be provided greater flexibility over the use of funds and no longer would have to determine Title IV-E eligibility using old AFDC eligibility requirements.

Child welfare financing was a major item of discussion at last week's American Public Human Services Association conference attended by County staff. In the conference sessions on child welfare financing reform proposals, no state and local officials at the conference supported capping Federal foster care and adoption assistance funding or reducing the Federal match rate, as proposed in the Child SAFE bill. Congressional staff who spoke at the conference indicated that major child welfare financing legislation, including the Child SAFE bill, will not be enacted this year, but child welfare financing will be a major legislative issue next year.

#### **National Association of Counties (NACo) Annual Conference**

County staff recently attended the National Association of Counties' (NACo) Annual Conference. Staff participated in NACo policy sessions on a number of issues. Of County interest, NACo agreed to establish a small task force with the County's involvement to craft a NACo position on the allocation of homeland security grants. NACo policy committees also adopted County-sponsored resolutions supporting increased funding for the State Criminal Alien Assistance Program (SCAAP) and opposing efforts to restrict the use of intergovernmental transfers to fund the Medicaid program. Staff also attended sessions of NACo's Large Urban County Caucus and the California State Association of Counties caucus.

We will continue to keep you advised of any new developments.

DEJ:GK  
MAL:MT:ib

c: Executive Officer, Board of Supervisors  
County Counsel  
All Department Heads  
Legislative Strategist