FEDERAL POLICY UPDATE

CCAO Workforce, Families and Children Symposium

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AGENDA

General Federal Landscape

- IRA
- Federal Appropriations
- Midterm Elections
- Economic Outlook

Human Services & Education Policy

- Food and Nutrition Assistance
- Child Care
- Child Welfare
- Expanded Child Tax Credit
- PSLF Waiver

NACo Resources

Federal Policy Landscape

INFLATION REDUCTION ACT (IRA): BACKGROUND

SAVINGS +\$765 billion

SPENDING -\$489 billion IRS tax enforcement **Energy and Climate Programs** Clean energy Clean manufacturing Corporate Taxes and incentives tax credits +\$124 billion Enforcement Clean electricity for individuals -\$39 billion -\$161 billion 15 percent corporate minimum tax -\$37 billion +\$222 billion Clean fuel and vehicle tax credits -\$36 billion Conservation, forestry Other climate Excise tax on corporate Extend active and rural development and energy loss limitation stock buybacks spending -\$35 billion for 2 years +\$74 billion -\$35 billion +\$54 billion Building efficiency Air pollution mitigation -\$20 billion -\$28 billion **Health Care Benefits** Medicaid prescrip, drug benefits and other spending Extension of expanded ACA subsidies for 3 years -\$34 billion -\$64 billion Other +\$7 billion Negotiation of certain drug prices **Prescription Drug** Unspent: \$276 billion Pricing Reform +\$99 billion Toward paying down the federal deficit Repeal Tump-era drug rebate rule \$122 billion Drug price inflation cap +\$82 billion

Source: Committee for a Responsible Federal Budget, Congress's Joint Committee on Taxation, Congressional Budget Office and additional estimates by Don Schneider of Piper Sandler. | Notes: Numbers are rounded. I.R.S. savings reflect a projected net revenue raised from \$80 billion in compliance and enforcement funding.

IRA: POLITICAL IMPLICATIONS

Likely the last major legislation Congress will pass before election season **Closes window for major social spending proposals under Build Back Better Act Heightened partisan tensions Important boost for the White House**

FY 2023 APPROPRIATIONS: CURRENT STATUS

| Subsammittas | EV 22 Experted Level | Hausa Brancad EV | Canata Drangad TV |
|----------------------|----------------------|-------------------|--------------------|
| Subcommittee | FY 22 Enacted Level | House Proposed FY | Senate Proposed FY |
| | (billions) | 23 (billions) | 23 (billions) |
| Agriculture* | \$25.1 | \$27.2 | \$27.1 |
| Commerce, Justice, | \$75.8 | \$85.5 | \$85.8 |
| Science | | | |
| Defense | \$728.5 | \$761.7 | \$792.1 |
| Energy and Water | \$52.9 | \$56.3 | \$57.5 |
| Development* | | | |
| Financial Services | \$25.5 | \$29.8 | \$29.5 |
| and General | | | |
| Government* | | | |
| Homeland Security | \$57.5 | \$60.3 | \$59.9 |
| Interior, | \$38.0 | \$44.8 | \$42.2 |
| Environment* | | | |
| Labor, HHS, | \$197.0 | \$224.4 | \$216.1 |
| Education | | | |
| Legislative Branch | \$5.9 | \$7.0 | \$6.8 |
| Military | \$127.6 | \$150.5 | \$152.0 |
| Construction, VA* | | | |
| State, Foreign | \$56.1 | \$64.6 | \$64.6 |
| Operations | | | |
| Transportation, HUD* | \$81.0 | \$90.9 | \$89.0 |
| Total | \$1.47 trillion | \$1.603 trillion | \$1.623 trillion |

- Senate spending bills have not received committee markups
- No bipartisan agreement on total spending OR topline numbers
- Continuing Resolution (CR) all but certain

^{*}passed House as part of H.R. 8294

FY 2023 APPROPRIATIONS: WHAT TO WATCH

Funding levels for key human services programs

- Child Care and Development Block Grant
- Head Start
- Title I Grants to Local Education Agencies
- Individuals with Disabilities in Education Act
- Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
- Older Americans Act (OAA)
- Elder Justice Act (EJA)

Program reauthorizations/extensions

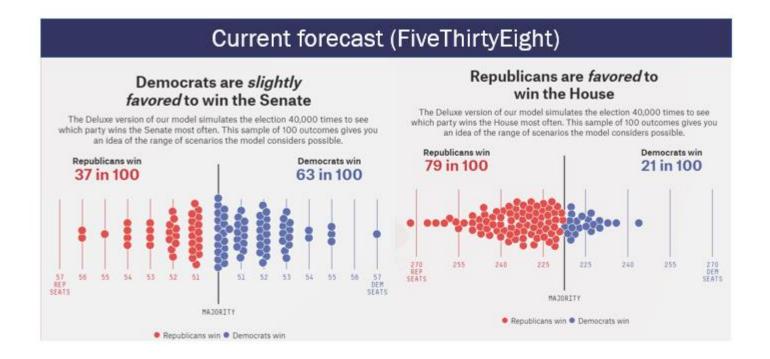
- Maternal, Infant and Early Childhood Home Visiting program
- Title IV-B (Child Welfare Services)
- Temporary Assistance for Needy Families
- School meal flexibilities?

Inflation impacts

NOVEMBER MIDTERMS

| | Democratic Seats | Republican Seats |
|--------|--|--|
| HOUSE | 224 (36 retirements or primary losses) | 212 (27 retirements or primary losses) |
| SENATE | 50* (14 up for election) | 50 (21 up for election) |

^{*}Sens. Bernie Sanders (I-VT) and Angus King (I-ME) caucus with the Democrats



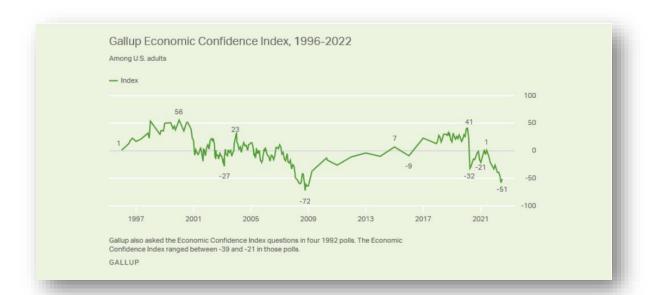
ECONOMIC OUTLOOK



• 3.5% (prepandemic)

Inflation

8.5% annualized (highest in 4 decades)



Human Services and Education Policy

CHILD CARE AND EARLY LEARNING

Severe ECE workforce shortages, including in Head Start

117,000 fewer child care jobs available in March 2022 than Feb 2020

COVID relief cliffs/expiring flexibilities

Ongoing material hardship (inflation, infant formula shortage)

CHILD CARE AND EARLY LEARNING: WHAT TO WATCH

Biden administration

- Administration of Children and Families (ACF) <u>Dear Colleague</u> <u>Letter</u> highlighting potential investments in ECE workforce
- ACF is establishing a new <u>National Early Care and</u> Education Workforce Center

Senate child care proposals

- <u>CCDBG Reauthorization Act of</u> <u>2022</u> (S. 3899)
- Murray-Kaine <u>Child Care</u> <u>framework</u> (Democratic-led, assumed reconciliation)
- Improving Early Childhood Data Systems Act (S. 4675)

FOOD AND NUTRITION ASSISTANCE

Key school meal flexibilities are expiring Infant formula crisis End of PHE will mean loss of SNAP emergency allotments and other admin flexibilities Ongoing material hardship (inflation, infant formula shortage)

FOOD AND NUTRITION ASSISTANCE: WHAT TO WATCH

Biden administration

- New limited <u>SNAP waivers</u> from U.S. Department of Agriculture (USDA) to help state agencies adapt after PHE expiration
- Forthcoming <u>White House</u> <u>Conference on Hunger, Nutrition</u> <u>and Health</u>
- Flexibilities within WIC to cope with formula shortage
 - Imported formula flexibilities and funding may expire Sept. 30

Congress

- Child Nutrition Reauthorization (CNR) proposal from House Dems (<u>Healthy Meals, Healthy Kids Act;</u> <u>H.R. 8450</u>)
- Keep Kids Fed Act (PL 117-158)
 - Only extended certain administrative flexibilities
 - Will lawmakers renew fight over free school meal eligibility?
- FY 2023 Farm Bill Reauthorization

CHILD WELFARE

FFPSA implementation continues to pose challenges

Burnout/capacity issues among child welfare workforce

Youth acuity/placement crisis

Temporary relief for youth aging out (Chaffee flexibilities, EITC expansion) has expired

CHILD WELFARE: WHAT TO WATCH

Biden administration

- New ACF Assistant Secretary, <u>January Contreras</u>
- New <u>guidance</u> urging uniform standards securing child support for children in foster care
- Potential proposed rule on kinship licensing standards

Congress

- Access to Foster Care to 21
 Act, H.R. 8177 (Rep. Judy Chu, D-Calif.)
- Title IV-B Reauthorization

EXPANDED CHILD TAX CREDIT: THE FINAL PUSH

- Authorized under American Rescue Plan Act (ARPA) of 2021
- Temporarily expanded eligibility and size of the credit
 - Estimated 3.4 million children lifted above the poverty line in December
- Most eligible families have obtained the credit
- However, non-filers and other hard-to-reach households may still be missing out on payments

THE DEADLINE FOR FAMILIES TO CLAIM THE EXPANDED CREDIT WITH THE

SIMPLIFIED NON-FILER PORTAL IS OCTOBER 15

NATIONAL OUTREACH CAMPAIGN FOR TAX BENEFITS

Help Families Get Their Child Tax Credit

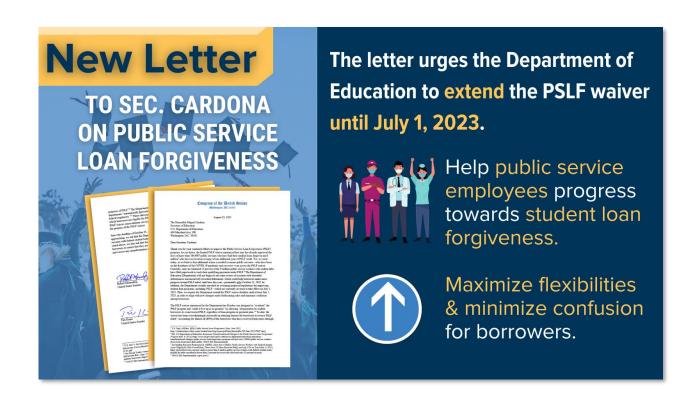
Families are eligible for thousands of dollars from the Child Tax Credit and other tax benefits this year. A family of four with low income who didn't file last year could get nearly \$20,000 in tax benefits—but only if they file a return.



Click here for outreach support

LIMITED PUBLIC SERVICE LOAN FORGIVENESS (PSLF) WAIVER

- County employees may be temporarily eligible for federal student loan forgiveness under limited PSLF waiver
- Must apply by October 31
- Visit <u>www.whitehouse.gov/pslf</u>
- Lawmakers and advocates <u>pushing</u> <u>for waiver extension</u> through July, 2023



NACo RESOURCES

Human Services and Education

- Reauthorize the Temporary Assistance for Needy Families (TANF) Block Grant
- Supplemental Nutrition Assistance Program (SNAP) Reauthorization and Appropriations
- Support the Child Care Development Fund (CCDF)
- Support the Social Services Block Grant (SSBG)
- Support the Community Services Block Grant (CSBG)
- Reauthorize and Fully Fund the Older Americans Act (OAA)
- Authorize Resources for County Veteran Service Officers

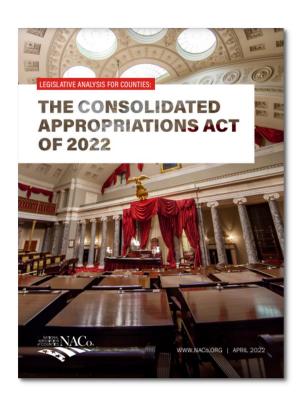
THE COUNTY HUMAN SERVICES AND EDUCATION LANDSCAPE

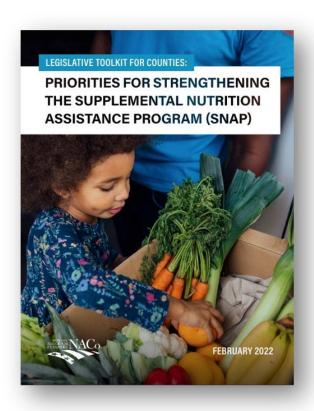
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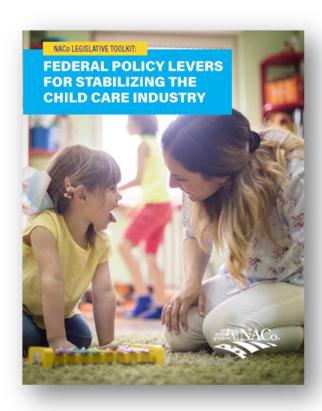




NACo RESOURCES







QUESTIONS?



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