



TODAY'S EXPERTISE FOR TOMORROW'S SOLUTIONS

February 15, 2011

To: State and Local Human Service Administrators
From: Larry Goolsby, Director, Legislative Affairs
Re: Highlights of President Obama's FY 2012 Budget Proposal

This memorandum contains a summary of the major health and human service provisions contained in President Obama's fiscal year 2012 budget proposal that was released on Feb. 14. Selected highlights and detailed discussions follow.

The Administration reports that its budget totals \$3.73 trillion but is designed to reduce the deficit by more than \$1 trillion over a decade. It would reduce or eliminate more than 200 federal programs next year, and overall spending would be 2.7 percent lower than the Administration's FY 2011 budget plan. The 2012 proposal sets \$1.12 trillion in discretionary spending, which includes a five-year freeze on domestic discretionary spending. The amount is an increase of 2.8 percent over FY 2010 discretionary spending. Programs cut include the Low Income Home Energy Assistance Program and the Community Services Block Grant. The budget includes increases in some program areas, such as child welfare and child care; the budget also proposes investments in various areas of education, transportation, and research.

While the President's proposals are for FY 2012, Congress will also be taking up the issue of FY 2011 appropriations soon; appropriations for the current fiscal year have not been enacted, and federal programs are being funded at the moment by a continuing resolution that will expire March 4. House leaders have proposed appropriations for the balance of FY 2011 that would cut many federal programs. How the House proposal is resolved with the Senate and the Administration will no doubt affect the ultimate outcome of FY 2012 budget plans as well.

Selected highlights:

Health – The Administration would fund Medicare at \$562 billion, a decrease of \$12 billion from 2010. The Substance Abuse and Mental Health Services Administration would be funded at \$3 billion, and the Health Resources and Services Administration is proposed to be funded at \$7.2 billion in 2012. The budget funds Medicaid spending at about \$270 billion, about a \$7 billion decrease over last year. The budget requests \$581 million in discretionary funding to strengthen program integrity for Medicaid and the Children's Health Insurance Program. The budget extends Transitional Medical Assistance and the Qualified Individuals program. It also has funding to implement various provisions of the Affordable Care Act. Under existing legislation, the Children's Health Insurance Program would be funded with an additional \$44 billion over the next five years and is expected to cover an additional four million children.

Child welfare – In child welfare, the President’s proposal includes a new \$250 million initiative for states to improve children’s outcomes in a variety of key areas such as safety and permanency. The budget also calls for a \$13 million increase to the Adoption Opportunities Program and a \$10 million increase to the Adoption Incentives Program.

Child care – The President’s budget provides an additional \$1.3 billion for states to support approximately 1.7 million children with child care subsidies. In addition, it also includes \$350 million for an Early Learning Challenge Fund for states to improve program quality and strengthen early learning. Head Start and Early Head Start programs were also funded at \$8.1 billion to serve approximately 968,000 children and families, maintaining expansions included in the American Recovery and Reinvestment Act.

Child support – The President’s budget estimates roughly \$3.14 billion in obligations for child support enforcement administrative costs for FY 2012, with \$3.9 billion included in the FY 2011 continuing resolution. This is down from the \$4.48 billion in actual spending in 2010. Under its legislative proposals, the President is requesting an additional \$5 million for CSE administrative costs and an additional \$300 million for Child Support incentive payments.

TANF – For the Temporary Assistance for Needy Families program, the President’s budget includes \$16.48 billion for state family assistance grants in FY 2012 with an additional \$212 million for TANF Supplemental Grants in the CR. Additionally, the budget factors in \$334 million for the TANF Contingency Fund (CF) to be included in the CR. Among the legislative proposals that remain subject to PAYGO, the budget requests include an additional \$108 million in Supplemental Grants for the CR and \$319 million for FY 2012.

Other human service programs – The Social Services Block Grant remains at prior levels, but the Low Income Home Energy Assistance Program would be cut to about half its FY 2011 level. The Community Services Block Grant would also be reduced about 50 percent.

Nutrition – In nutrition, the Administration proposes \$73.184 billion for the Supplemental Nutrition Assistance Program, which includes restoring a cut in future benefits that was enacted under child nutrition reauthorization legislation to pay for cost increases in that measure. The budget would extend for another year the suspension of the time limit on SNAP participation of able-bodied adults without dependents.

Additional details are provided by program category below. APHSA will continue to monitor and update you on key budget and policy developments as they occur. If you have any general questions, please contact Larry Goolsby at (202) 682-0100 ext. 239, lgoolsby@aphsa.org.

Please direct specific program questions to:

Child Care – Rashida Brown, rbrown@aphsa.org

Child Support – Robert Ek, rek@aphsa.org

Child Welfare – Anita Light, alight@aphsa.org, or Rashida Brown, rbrown@aphsa.org

Individuals with Disabilities – Nanette Relave, nrelave@aphsa.org

Medicaid and CHIP – Megan Lape, mlape@aphsa.org

Nutrition – Gary Terpstra, gterpstra@aphsa.org

TANF and Workforce Programs – Robert Ek, rek@aphsa.org

HEALTH

Grant outlays for health-related programs are estimated to be \$288.8 billion in 2012. The Administration would fund Medicaid spending at about \$270 billion, about a \$7 billion decrease over last year. The budget includes a package of proposals to strengthen program integrity for Medicaid and the Children's Health Insurance Program, and requests \$581 million in discretionary program integrity funding to implement activities to detect and prevent health care fraud, waste, and abuse through investigations, and data analysis. The budget extends Transitional Medical Assistance, which provides continued Medicaid eligibility for recipients transitioning to work, and the Qualified Individuals program, which pays Medicare Part B premiums for qualified low-income seniors. In addition, the Affordable Care Act expands coverage in Medicaid to non-elderly individuals under 133 percent of the federal poverty level on January 1, 2014, and provides states the option to begin providing medical assistance to individuals under this new group as of April 1, 2010.

Starting in 2014, Health Insurance Exchanges will provide new competitive health insurance marketplaces that are designed to allow individuals, families, and small business owners to pool their buying power together to purchase affordable coverage. The Administration says the exchanges will help consumers and small businesses easily compare qualified plans based on price, benefits and services, and quality. Exchange enrollees may be eligible for premium tax credits to help with the cost of insurance premiums and cost-sharing assistance to reduce their out-of-pocket costs. States have a major role in the creation and operation of the exchanges, and HHS will award grants to states to support development and implementation activities the states will undertake through 2014, as authorized by the ACA.

Other major health proposals include:

- \$800 million for the Center for Medicare and Medicaid Innovation, an increase of \$255 million over the FY 2011 estimate.
- Health insurance premium review – The budget provides \$66 million in this fund for grants to states. This funding is designed to improve the oversight of proposed health insurance premium increases, and is a decrease of \$5 million from the FY 2011 estimate.
- American Health Benefit Exchange Program – This program provides funding for planning and establishment grants to implement state exchanges through January 1, 2015.
- Consumer Operated and Oriented Plan – This plan is designed to foster the creation of qualified nonprofit health insurance issuers that operate with a strong consumer focus to offer qualified health plans in the individual and small group markets in the states. The proposed FY 2012 amount is \$388 million.
- Program Integrity in Medicare, Medicaid, and CHIP – The budget anticipates \$155 million in additional savings from strengthening third-party liability, tracking high prescribers and utilizers of prescription drugs, and requiring manufacturers to fully repay states for Medicaid drug coverage.
- Extend SSI for Refugees – The budget proposes \$45 million for this purpose; the proposal is included in the Social Security Administration's budget request.
- The budget would prohibit brand and generic drug companies from delaying the availability of new generic drugs. This would generate a Medicaid savings of \$110 million.

- The budget adds \$20 million for the Wireless Innovation fund for health-related activities in internet and health technology.
- The budget continues to fund Money follows the Person Demonstrations at FY 2011 levels (\$449 million).
- The budget no longer funds Psychiatric Residential Treatment Demonstrations and Evaluations (a reduction of \$57 million from FY 2011) or Medicaid Emergency Psychiatric Demonstration (\$75 million reduction) or incentives for Prevention of Chronic Diseases in Medicaid (\$100 million reduction).

Children’s Health Insurance Program

The CHIP program was reauthorized through FY 2013 by the Children’s Health Insurance Reauthorization Act of 2009 (P.L. 111-3). CHIPRA provides an additional \$44 billion in funding over the next five years and is expected to cover an additional four million children. Key features of the legislation include:

- Allotments to states (\$8.5 billion in 2012, decreased by \$2.1 billion from 2010);
- Contingency fund (\$200 million in 2012);
- Performance bonus payments to states (\$130 million in 2012, increased by \$55 million from 2010); and
- Outreach and enrollment grants (\$37 million in 2012).

Medicare

Medicare Overview

In FY 2012, spending on Medicare benefits will total approximately \$562 billion and will provide health coverage to over 50.1 million beneficiaries. FY 2012 funding for the four parts of Medicare is as follows:

- **Medicare Part A:** Pays for inpatient hospital, skilled nursing facilities, home health (related to a hospital stay) and hospice care – \$203 billion;
- **Medicare Part B:** Supplemental Medical Insurance, which pays for physician services, outpatient hospital services, end-stage renal disease, laboratory services, durable medical equipment, and certain home health and other medical services – \$163 billion;
- **Medicare Part C:** Offers coverage options including health maintenance organizations, preferred provider organizations, special needs plans, and private fee-for-service – \$114 billion;
- **Medicare Part D:** Offers standard prescription drug benefit – \$52 billion.

Program Integrity Oversight

The budget continues to fund the Health Care Fraud and Abuse Control Program through mandatory and discretionary funding streams. The 2012 budget proposal is \$851 million, an increase of \$95 million from 2010.

Center for Medicare and Medicaid Innovation

The Innovation Center’s purpose is to produce better experiences of care and better health outcomes and at lower costs through improvements, specifically for “dual eligibles” (individuals eligible for both Medicare and Medicaid). The budget proposes funding at \$800 million for FY 2012.

Administration on Aging

The FY 2012 budget request for the Administration on Aging is \$2.25 billion, \$694 million over the FY 2010 figure. Included in this request is \$416 million for Home and Community-based Supportive Services; \$21 million for Preventive Health Services; \$120 million for the CLASS Program Administration; and \$47 million for the State Health Insurance Assistance Program.

Food and Drug Administration

The budget requests more than \$4.3 billion for the Food and Drug Administration, an increase of \$1 billion from FY 2010. The increases are to improve the safety of the food supply, drugs, and other medical products, advance scientific infrastructure, and further develop and implement public health strategies for tobacco use prevention and cessation.

National Institutes of Health

The budget proposes \$32 billion for NIH, an increase of \$745 million over FY 2010. These mandatory funds were included in P.L. 110-275, the Medicare Improvements for Patients and Providers Act of 2008, and P.L. 111-309, the Medicare and Medicaid Extenders Act of 2010.

Agency for Healthcare Research and Quality

The FY 2012 budget requests \$390 million for AHRQ, a decrease of \$12 million over FY 2010.

Centers for Disease Control and Prevention

The FY 2012 budget for CDC proposes \$7.3 billion, a decrease of \$800 million from FY 2010. The budget requests increases in support for prevention of diseases, improved data collection efforts, and efforts to build global public health capacity. The request also funds new programs such as community health programs engaging large cities to prevent chronic disease and development of the Health Prevention Corps to build an interdisciplinary public health workforce.

Pandemic Influenza

The Administration's proposal continues 2010 funding levels at \$82 million into 2012, which are spread across HHS to address pandemic influenza.

Terrorism Preparedness

The budget proposal continues 2010 funding of \$952 million to 2012 in bioterrorism preparedness activities across HHS to improve the nation's ability to prepare for, respond to, and recover from a bioterrorist attack or other public health emergency.

Health Resources and Services Administration

The Administration's FY 2012 budget includes \$7.2 billion in funding for HRSA, a decrease of \$340 million compared to FY 2010. This figure includes \$2 billion to health centers to improve access to health care in underserved areas, a decrease of \$119 million from FY 2010. It also includes \$1.25 billion, an increase of \$27 million, to support the health care workforce, including \$418 million (of which \$295 million is authorized under ACA) for the National Service Corps to recruit and retain clinicians and \$94 million to increase the capacity of the nurse workforce. The proposal requests \$2.4 billion for Ryan White HIV/AIDS activities and \$654 million for the

Maternal/Child Health block grant program. The proposal also includes \$26 million for the Rural Hospital Flexibility Grants for quality improvement and adoption of health information technology and \$1 million for telehealth programs. Additionally, the budget requests \$327 million to be available to voluntary family planning projects under Title X of the Public Health Services Act.

Substance Abuse and Mental Health Services Administration

The Administration's proposal includes \$3.6 billion in funding for SAMHSA, a decrease of \$20 million from FY 2010.

Substance Abuse

The FY 2012 proposal requests \$2.35 billion in funding for substance abuse services, a decrease of \$40 million from FY 2010. Programs of Regional and National Significance account for this decrease; a \$15 million decrease is included for treatment programs and a \$66 million decrease is included for prevention programs. A total of \$1.4 billion is requested for the Substance Abuse Block Grant level for FY 2012, an increase of \$40 million over FY 2010.

Mental Health

The FY 2011 budget proposal requests \$682 million in funding for mental health services, a decrease of \$17 million from FY 2010. Mental health services for children and adolescents with serious emotional disturbances and the Projects for Assistance in Homelessness (PATH) State formula grant are to be held at FY 2010 levels. Programs of Regional and National significance providing treatment are decreased by \$57 million, while prevention program proposals increased by \$65 million. The Mental Health Block Grant remains at \$414 million for FY 2011, an increase of \$14 million from FY2010.

Indian Health Service

The FY 2012 budget proposes \$5.5 billion for Indian Health Services programs, an increase of \$200 million from FY 2010. The budget proposal includes a request for \$466 million for Indian Health facilities, a \$177 million decrease from FY 2010. The Indian Health Facilities account provides funding for construction and maintenance of health care facilities for the American Indian/Alaska Natives populations. These mandatory funds were appropriated in P.L. 110-275, the Medicare Improvements for Patients and Providers Act of 2008, and P.L. 111-309, the Medicare and Medicaid Extenders Act of 2010.

Office of the National Coordinator for Health Information Technology

The ONC provides supports coordination, leadership, and development of federal health information technology activities and federal initiatives for the nationwide advancement of private and secure interoperable health information technology, in cooperation with participants in the health sector. The FY 2012 budget proposes \$90 million for the ONC, a decrease of \$1.8 million from 2010 due in part to the expiration of the ARRA funds.

Summary of Health-related Programs Targeted for Elimination or Savings

CDC

Infectious Diseases

Health Promotion

Health Information and Service

Environmental Health and Injury Prevention
Occupational Safety and Health

HRSA

State Health Access Grants (expand health care coverage for the uninsured)
Nurse Managed Health Centers Prevention Fund
Healthy Weight Collaborative Prevention Fund
Advanced Education Nursing Prevention Fund
Primary Care Training and Enhancement Prevention Fund
State Health Care Workforce Development Grants Prevention Fund
Infrastructure to Expand Access to Care

SAMHSA

St. Elizabeth's Hospital
Public Education and Support
Performance and Quality Information Systems

INDIVIDUALS WITH DISABILITIES

The budget items included in this section are programs for individuals with disabilities that are included throughout the budget proposal, including the Departments of Labor, Health and Human Services, and Education.

Department of Health and Human Services

Ticket to Work

The Ticket to Work and Work Incentives Improvement Act of 1999 authorized two grant programs designed to assist states in developing services and support to aid the competitive employment of people with disabilities, including by extending Medicaid coverage or other health coverage to these individuals. These programs include Medicaid Infrastructure Grants and the Demonstration to Maintain Independence and Employment. The MIG grant program was authorized for 11 years, with 2011 being the final year of grant awards. The budget estimates no additional funding for the Ticket to Work grants under the Centers for Medicare and Medicaid Services in 2012.

State Councils on Developmental Disabilities

The budget includes \$75 million for state councils on developmental disabilities in FY 2012, the same amount as in FY 2010 and as in the 2011 CR. State councils on developmental disabilities provide advocacy and policy development to increase the community integration and overall well-being of individuals with developmental disabilities in each state.

Protection and Advocacy for People with Disabilities

The budget proposes \$41 million for Protection and Advocacy for FY 2012, which is level with FY 2010 and with the 2011 CR. Protection and Advocacy programs fund centers in each state that provide legal representation and other advocacy services to individuals with disabilities.

Voting Access for Individuals with Disabilities

The budget estimates no further payments for this program in FY 2012, a decrease of \$17 million in discretionary funding from FY 2010 and from the 2011 CR. The grant program provides money to states to improve voter access to individuals with disabilities.

University Centers for Excellence

In the President's proposed budget, funding for University Centers for Excellence is estimated at \$39 million for FY 2012, the same as in FY 2010 and as in the 2011 CR. University Centers for Excellence are designed to provide research, training, and public policy development to assist individuals with disabilities to live and work in their community.

Aging and Disability Resource Centers

The budget proposes \$13 million for Aging and Disability Resource Centers for FY 2012, a \$3 million increase from FY 2010 and from the 2011 CR. ADRCs serve as single points of entry into the long-term supports and services system for older adults and people with disabilities.

Social Security Administration

Pilots and Demonstrations

The budget proposes a five-year reauthorization of the Social Security Administration's Section 234 demonstration authority for the Social Security Disability Insurance program. Among other projects, this authority would fund a pilot of the Work Incentives Simplification Proposal, which would eliminate work activity as a basis for determining disability cessation. The budget proposes to fund Disability Insurance demonstration projects at \$26 million in 2012; funding was provided at \$28 million in FY 2010, and \$22 million in the 2011 CR. The budget also proposes a pilot to improve services to children with disabilities, the Promoting Readiness of Minors in SSI. This pilot, which would be jointly funded with the Department of Education, would provide competitive grants to test interventions to improve child and family outcomes for children in the Supplemental Security Income program.

Department of Education

Special Education State Grants

The FY 2012 budget proposes \$10.8 billion in grants to states, a reduction from FY 2010 (\$11.5 billion) and from the 2011 CR (\$11.52 billion). The budget request would maintain FY 2010 and 2011 CR funding levels for the Part B Preschool grants at \$374 million, and increase Part C Early Intervention Grants for Infants and Families to \$489 million (from \$439 million).

Vocational Rehabilitation State Grants

This program, funded through mandatory appropriations, provides formula grants to state vocational rehabilitation agencies to help individuals with disabilities become gainfully employed. The Administration's FY 2012 request of \$3.14 billion represents an increase from FY 2010 (\$3.09 billion) and a similar funding level in the CR. Similar to last year, the budget proposes consolidating the funds of smaller VR-related programs and eliminating their separate funding authorities. Toward that end, supported employment state grants and projects with industry funding would not have separate funding authorities under the proposed 2012 budget.

Supported Employment State Grants

This program supplements supported employment services funded through the Vocational Rehabilitation State Grants program by making additional formula grants; the grants assist states in providing supported employment services to individuals with the most significant

disabilities who have a goal of supported employment under the VR State Grants program. The FY 2012 request eliminates separate funding for this program and consolidates the funds under VR state grants.

Client Assistance

Under the Administration's proposal, \$12 million is requested for client assistance grants to states, representing no change from the FY 2010 and 2011 CR funding levels. Through this program, formula grants are made to states to provide assistance in informing and advising clients and applicants about benefits available under the Rehabilitation Act and, if requested, to pursue legal or administrative remedies to ensure the protection of the rights of individuals with disabilities.

Projects with Industry

The PWI program funds projects that help individuals with disabilities obtain employment and advance their careers in the competitive labor market. The FY 2012 request eliminates separate funding for this program.

Independent Living for Individuals with Disabilities

Independent living programs, which focus on independent living for individuals with disabilities, include State Grants, Centers for Independent Living, and Services for Older Blind Individuals. The FY 2012 budget requests \$138 million for these services, level with the CR but a decrease of \$88 million from FY 2010 levels. Additionally, the budget would consolidate the Independent Living State Grants and Centers for Independent Living programs and would provide formula grants to States to support the provision of independent living services through centers for independent living.

National Institute on Disability and Rehabilitation Research

NIDRR activities include research, demonstration projects, and related activities. The FY 2012 request of \$110 million represents a small increase of \$1 million over FY 2010 and the CR.

Assistive Technology

The FY 2012 budget request for AT programs is \$31 million, which would maintain funding at the FY 2010 level and the CR. AT programs support grants to states to increase access to and funding for assistive technology devices and services for individuals with disabilities.

Access through Cloud Computing

The budget proposes \$10 million to support a new initiative to improve internet and technology access for individuals with accessibility barriers due to disability.

Workforce innovation fund

The FY 2012 budget again proposes \$30 million in new funding that would be used for competitive grants to test innovative strategies and replicate effective practices in the workforce system. The fund would be jointly administered by the Departments of Labor and Education.

Department of Labor

Office of Disability Employment Policy

ODEP works to eliminate employment barriers for people with disabilities through policy development and other activities. The Administration's 2012 budget requests \$39 million for ODEP, level with FY 2010 and the CR. The budget request would enable ODEP to build on its

collaborative efforts with ETA under the Disability Employment Initiative to improve the capacity of the one-stop career center system to serve people with disabilities.

CHILD WELFARE

Title IV-E

The President proposes to provide \$4.3 billion for the Title IV-E foster care program, which is a \$315 million decrease from last year. The proposed level will support an average of 166,800 children per month. Although Title IV-E foster care received a decrease, Title IV-E adoption assistance maintained its FY 2010 levels at \$2.5 billion.

Federal support for foster care continues to decline due to the “look-back” requirement tied to the former Aid to Families with Dependent Children program. The Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351) delinks the AFDC income eligibility requirements for the Title IV-E adoption assistance program, which now supports an average of 470,400 children per month. APHSA has frequently cited this continued decrease as highlighting the urgent need for child welfare financing reform, as proposed by its National Association of Public Child Welfare Administrators affiliate.

Fostering Connections also created a new Title IV-E guardianship assistance program, for which the Administration proposes to provide \$80 million to serve an average of 13,900 per month in FY 2012.

Promoting Safe and Stable Families

The Promoting Safe and Stable Families program provides federal funding for a broad range of child welfare services, which includes family prevention and family support services. PSSF’s court improvement program is due for reauthorization. The FY 2012 budget includes a \$20 million increase for this program. Research, training, and technical assistance dollars are maintained at \$8 million.

The Administration for Children and Families also administers a competitive grant program called the Family Connections Grants, which was authorized by the Foster Connections to Success Act. The purpose of this funding is to help children who are either in foster care or at-risk of entering into foster care to reconnect with family members by developing and implementing a variety of initiatives, such as a kinship navigator program, intensive family finding efforts, family group decision-making, and residential family treatment programs. The Family Connections Grants continue at \$15 million, under which approximately 30 grants are to be awarded.

The Abstinence Education program received a \$15 million increase, funding the program at \$50 million for FY2012.

CAPTA and Other Discretionary Funds

Last year’s budget proposal included \$107 million for abuse and neglect programs, which was a \$10 million increase from the previous year. However, CAPTA state grants; child abuse discretionary activities; community-based child abuse prevention; child welfare services; and child welfare training, research, and demonstration grants were all provided with level funding for FY 2012.

However, the Adoption Opportunities program, which was initially authorized by the Child Abuse Prevention and Treatment Act, received an increase of \$13 million. The President proposes to fund the program at \$39 million for FY 2012. The Child Abuse Prevention and Treatment Act was reauthorized in the 111th Congress.

The budget proposes to reduce the Mentoring Children of Prisoners program by half, funding it at \$25 million for FY 2012.

Older Youth Programs

The Runaway and Homeless Youth (basic centers) program received a \$5 million increase from last year's levels. The President proposes to fund this program at \$59 million for FY 2012. The Transitional Living program received level funding for FY 2012 at \$44 million. Independent Living Training Vouchers received level funding in the budget at \$45 million.

Incentives to Increase Adoptions

The budget increases funds for the Adoption Incentive program, which provides bonuses to states for increasing the number of adoptions from foster care. To fully cover anticipated bonuses due to increased state performance and changes made through the Fostering Connections to Success and Increasing Adoption Act, the program has an additional \$10 million.

New ACF Initiative

The President's FY 2012 budget provides an additional \$250 million to support a new initiative for states to improve performance, primarily in the areas of safety and permanency. These dollars will be used to promote innovation in child welfare and create new reforms.

CHILD CARE, EARLY LEARNING, AND EDUCATION

Child Care and Development Fund

The FY 2012 budget increases the Child Care and Development Block Grant by \$1.3 billion. This funding includes \$800 million in discretionary funds, which is appropriated annually and would not require a state match. The \$1.3 billion also includes \$500 million in mandatory funds, which would require a state match. This funding would be used to provide child care assistance for low-income working families and activities to improve health, safety, and quality standards in child care settings.

Head Start/Early Head Start

The President's budget requests \$8.1 billion for the program, which represents an increase of \$866 million from FY 2011. Funding will serve an estimated 968,000 low-income children to receive federal support for access to high-quality early care and education settings.

Early Learning Challenge Fund

The President's budget requests \$350 million increase to create an Early Learning Challenge Fund. ELCF will allow states to develop a statewide infrastructure of integrated early learning supports and services for children from birth through age 5. The program is designed to raise the quality of publicly funded early learning programs and improve school readiness. This program will be jointly administered by the Administration for Children and Families and the Department of Education.

CHILD SUPPORT

The President includes \$3.14 billion for child support enforcement administrative costs (down from 2010 actual expenditures at \$4.48 billion) with an additional \$3.9 billion included in the CR. Child Support incentive payments are budgeted at \$519 million for FY 2012 with \$513 million budgeted for the CR. This total is an increase from the 2010 actual spending of \$504 million on child support incentive payments. The budget's legislative proposals, subject to PAYGO rules, include an additional \$5 million for state child support administrative costs in FY 2012 as well as a FY 2012 request of an additional \$300 million for child support incentive funds.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

The President's budget for TANF includes a \$16.48 billion extension in the CR in addition to a continuation of the TANF program in FY 2012 at the standard \$16.48 billion rate. The budget also includes \$150 million in the CR for healthy marriage and responsible fatherhood grants with an additional \$150 million budgeted for FY 2012, although there was no mention of last year's "Fatherhood, Marriage, and Families Innovation Fund" outlined in the FY 2011 budget proposal. For the TANF Contingency Fund, the President has budgeted for \$334 million in the upcoming CR and the full \$612 million in CF funds for FY 2012.

Under the budget items pending legislative action and subject to PAYGO rules, the Administration requests an additional \$108 million for the 2011 Supplemental Grants in the upcoming CR as well as the full \$319 million for Supplemental Grants in FY 2012.

WORKFORCE INVESTMENT ACT AND RELATED DEPARTMENT OF LABOR PROGRAMS

Workforce Innovation Fund

The budget includes FY 2012 funding of \$379 million for a Workforce Innovation Fund (WIF), which would provide competitive grants to test innovative strategies and replicate evidence based practices. The WIF would be paid for with contributions from a variety of funds including Adult Employment and training activities, Dislocated Worker Employment and Training activities, and youth activities, plus new funding obligated for FY 2012.

Senior Community Service Employment Program

The 2012 budget includes changes proposed for the SCSEP, a program that offers part-time, work-based training to low-income individuals age 55 and older at non-profits and/or government agencies. SCSEP would be moved out of the Department of Labor and into the HHS Administration on Aging. According to the Administration, this move would help the program better fulfill a dual role of fostering economic self-sufficiency and promoting useful opportunities in community service. However, the program is budgeted to receive \$450 million in FY 2012 as opposed to the \$656 million it received in 2010. The CR estimate for the Community Service Employment for Older Americans stands at \$660 million for national programs.

Adult Employment and Training

Adult training is budgeted to receive \$792 million for FY 2012, down from \$862 million in actual spending in 2010, and \$862 million is budgeted for the pending CR. Adult Services provides workforce investment services to adults to increase employment, retention, and earnings.

Dislocated Worker Activities

Dislocated Worker Training activities provide retraining and reemployment services for those dislocated from employment. These activities would receive \$1.3 billion for FY 2012, down from \$1.45 billion in 2010, with \$1.4 billion estimated in the CR.

Youth Activities

Youth Activities funds are allocated by formula to state and local areas to deliver a comprehensive array of youth workforce investment activities for low-income youth age 14–21. The budget outlines \$965 million for youth activities, down from the 2010 level of \$994 million. The President estimates \$1.027 billion for youth activities in the CR.

Reintegration of Ex-Offenders

Reintegration programs support activities authorized under the Second Chance Act. These activities are budgeted to receive \$90 million for FY 2012, down from \$96 million in 2010, with \$108 million included in the CR request.

Employment Service Grants

The Employment Service Grants, established under the Wagner-Peyser Act of 1933 are budgeted at \$785 million for FY 2012, an increase over the 2010 level of \$724 million.

Green Jobs Initiative

The Green Jobs Initiative, established last year, received \$40 million in 2010 to help provide competitive grants for green job training and career pathways. This funding would be increased in the FY 2012 budget to \$60 million.

High Growth Job Training Initiative

The High Growth Job Training Initiative is budgeted to receive \$125 million in FY 2012, up significantly from the \$14 million it received in 2010. The CR request for the program is \$220 million. This program is designed to provide targeted training for workers based on high-growth sectors of the economy.

TAA Community College and Career Training Grant Fund

The Trade Adjustment Assistance Community College and Career Training program, authorized under the Health Care Education Reconciliation act of 2010, provides competitive grants of \$500 million for eligible institutions of higher education to improve outcomes for community college and other students with a focus on growing occupations. This is reflected both in the CR and in the FY 2012 budget.

SSBG AND OTHER HUMAN SERVICE PROGRAMS

Social Services Block Grant

The Social Services Block Grant remains intact at prior levels in the budget at \$1.7 billion for FY 2012 and \$1.7 billion in the CR.

Low Income Home Energy Assistance Program

As mentioned in a number of media outlets prior to the budget's release, the Administration cut the federal LIHEAP budget by roughly half for FY 2012 at \$2.57 billion, down from \$5.1 billion. While the LIHEAP CR is at \$5.1 billion, the Administration explains that the decrease in LIHEAP mirrors the decreases in energy costs overall.

Community Services Block Grant

The Community Services Block Grant would see a 50 percent decrease from prior levels in the FY 2012 budget; the requested amount is \$350 million compared to the \$700 million spent in 2010 and the \$700 million requested in the CR.

NUTRITION

The FY 2012 budget requests \$73.184 billion for the Supplemental Nutrition Assistance Program. SNAP's FY 2011 funding was authorized by the continuing resolution. The current SNAP caseload is approximately 43.6 million persons, an increase from the 2010 level of 40.3 million.

Child nutrition reauthorization, enacted in late 2010, cut short the months of additional SNAP benefits that had been authorized by the American Recovery and Reinvestment Act of 2009, to October 31, 2013. The budget proposes to revert that sunset date to March 31, 2014, the date in place prior to child nutrition reauthorization. The proposal would also extend for another year the option for states to eliminate the time limit on receipt of SNAP benefits by working-age low-income adults without dependents.

The budget also proposes increases in child nutrition programs, including a \$7.4 billion increase in the Special Supplemental Program for Women, Infants and Children.