

June 17, 2010

Honorable Harry Reid
Senate Majority Leader
United States Senate, SH-522
Washington, DC 20510

Honorable Mitch McConnell
Senate Minority Leader
United States Senate, SR-361A
Washington, DC 20510

Honorable Max Baucus
Chairman
Senate Finance Committee
United States Senate, SH-511
Washington, DC 20510

Honorable Charles Grassley
Ranking Member
Senate Finance Committee
United States Senate, SH- 135
Washington, DC 20510

Dear Majority Leader Reid, Minority Leader McConnell, Chairman Baucus, and Ranking Member Grassley:

The American Public Human Services Association and its affiliates, the National Association of State Medicaid Directors, the National Association of Public Child Welfare Administrators, and the National Association of State TANF Administrators, urge you to include vital support of public health and human service programs in the “extenders” bill, H.R. 4213. To recap our recent letters to Congress, our state and local members, and the millions of vulnerable children and adults whom we serve, depend on three critical funding areas in this bill:

Medicaid

The \$87 billion in additional federal medical assistance percentage (FMAP) funding provided under the American Recovery and Reinvestment Act is scheduled to expire on December 31, 2010. Unfortunately, states continue to project budget shortfalls totaling over \$100 billion in fiscal year 2011. This number will rise significantly without an FMAP extension, since a number of states have included an additional six months of increased FMAP in their budget projections. Most states, unlike the federal government, begin their fiscal year in July, which means states are now being forced to plan significant spending cuts and revenue increases for FY 2011. Many states have already announced plans to decrease funding to safety-net providers and scale back Medicaid coverage if the ARRA fiscal relief is not extended.

This relief has helped stabilize the state budgets and protected Medicaid programs – which finance health care services for over 40 million citizens – from having to implement cuts because of severe state budget shortfalls. Most of all, it allowed the Medicaid programs to provide vital and necessary services to the most vulnerable populations in our states. This temporary assistance has been and will continue to be essential and necessary, particularly at a time when the state Medicaid programs are further being called upon to assist those individuals who have lost their jobs during the recession and the economic downturn. The FMAP extension is critical to ensure that states are able to avoid significant reductions in services. Due to the continued impact of joblessness across our nation, the

need for Medicaid services remains high. It is crucial to ensure that States have the resources necessary to continue to provide these services and supports.

Child Welfare Services

The pending expiration of FMAP also directly affects the funding level of state and local child welfare programs. Many state and local agencies have announced staff layoffs and/or furloughs in the child welfare workforce and decreases in funding to private and public child welfare service providers. These resources are essential to provide services for vulnerable children and families, particularly for those experiencing emotional and financial hardships. Numerous states have reported that the ARRA FMAP funding has been helping them continue providing child welfare services to children and families in need. Extending the enhanced FMAP through June 30, 2011, would help states and localities provide safe, permanent options and supportive services to the nation's most vulnerable population.

Temporary Assistance for Needy Families Emergency Contingency Fund

Finally, Congress should support an additional fiscal year of Emergency Contingency Fund for the Temporary Assistance for Needy Families Program. The TANF ECF has proven to be an impressive job generator in states hard-hit by the recession; 31 states have already put subsidized employment plans in place using ECF funds, and states need additional funding so they can continue helping clients find work in this difficult economic climate. In addition to subsidized employment, increased funds in TANF ECF would also better assist vulnerable families with basic assistance and short-term aid in their greatest time of need.

Congress should act now to assure those hurt by the downturn that this important support will not come to an abrupt end, and to assure state and local human service agencies that they can plan their budgets with confidence.

For additional information please contact me at (202) 682-0100 ext. 231, cdesantis@aphsa.org; or Larry Goolsby, Director of Legislative Affairs, at (202) 682-0100 ext. 239, lgoolsby@aphsa.org.

Sincerely,



Cari DeSantis
Interim Executive Director

Cc:

Honorable Nancy Pelosi, Speaker of the House, United States House of Representatives
Honorable Steny Hoyer, House Majority Leader, United States House of Representatives
Honorable John A. Boehner, House Minority Leader, United States House of Representatives
Honorable Jim McDermott, Chairman, Income Security and Family Support Subcommittee,
House Committee on Ways and Means
Honorable John Linder, Ranking Member, Income Security and Family Support Subcommittee,
House Committee on Ways and Means