

Volume 6, Issue 1  
January - February, 2008

## SECOND SESSION OF 110TH CONGRESS UNDERWAY

The U.S. Congress returned to work in early January after a short recess. House and Senate Democrats, who control the Congressional agenda but don't have the votes to force President Bush to the negotiating table to compromise and make deals, must decide on their legislative priorities in a tumultuous election year. The economic downturn and the war in Iraq dominate the agenda while major legislative initiatives ranging from energy, immigration, education and employment remain in stalemate.

For disability policy advocates, there are many promising bills in process but it is still very unclear whether any will become law before this Congress adjourns. The following is a summary of the FY 2009 funding process and an attempt to "crystal ball" what may happen to the following key disability policy initiatives in 2008:

- Medicaid, Medicare, & SCHIP
- Home and Community-Based Services Option
- Community Choice Act
- Other Long Term Services and Supports
- ADA Restoration
- Employment
- Direct Support Workforce
- Education
- TANF
- Social Security
- Housing
- Title XX Social Services Block Grant
- Transportation
- Disability Savings Accounts

See the status of all current bills of interest, including bill text, cosponsors, committee action, and more at: <http://capwiz.com/thearc/issues/bills/>

# FY 2009 BUDGET AND APPROPRIATIONS

## I The President's FY 2009 Budget

The release of the Bush Administration Fiscal Year 2009 Budget request in early February initiated the annual budget and appropriations process. The Administration's budget for the next fiscal year totals \$3.1 trillion in spending. Overall domestic spending would be increased by less than one percent while defense spending would be increased by seven percent. As in last year's budget, the President again seeks to eliminate several key disability programs, make sizeable cuts in others and freeze most of the rest. Very few programs receive small increases. The table below compares the FY 2008 appropriations with the Administration's FY 2009 request for programs of interest to the disability community.

<b>FEDERAL PROGRAMS by Agency</b>	<b>FY 2008 Final</b>	<b>FY 2009 President</b>
<b>Department of Labor</b>		
Adult Employment	849.1	712.0*
Youth Activities	924.1	891.0*
Work Incentives Grants	14.4	0
Office of Disability Employment Policy	27.2	12.0
<b>Department of Health and Human Services</b>		
Basic State Grants – Councils on DD	72.5	72.5
Protection & Advocacy (P & A) - DD	39.0	39.0
University Centers for Excellence in DD	36.9	36.9
Projects of National Significance (PNS)	14.2**	14.2
State Grants to Remove Barriers to Voting	12.2	12.2
P & A for Voting Access	5.3	5.3
Lifespan Respite Care Act	0	0
Maternal & Child Health Block Grant	666.2	666.2
Autism and other Developmental Disorders	36.4	36.4
CDC Center on Birth Defects, DD	129.6	126.7
National Institute for Child Health and Human Development	1,254.7	1,255.7
National Institute for Neurological Disorders and Stroke	1,543.9	1,544.9
Social Services Block Grant	1,700.0	1,200.0
Child Care & Development Block Grant	2,062.1	2,062.1
<b>Department of Education</b>		
IDEA Part B State & Local Grants	10,947.5	11,284.5
IDEA Preschool Grants	374.1	374.1
IDEA Part C Early Intervention	435.7	435.7

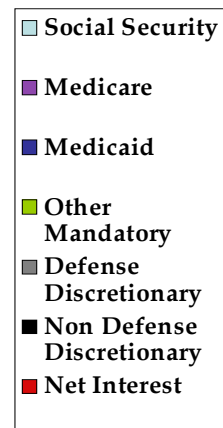
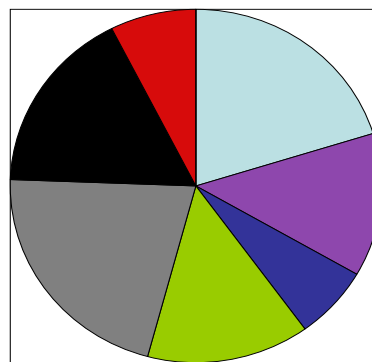
<b>FEDERAL PROGRAMS by Agency</b>	<b>FY 2008 Final</b>	<b>FY 2009 President</b>
IDEA Personnel Preparation	88.2	88.2
Parent Information Centers	26.5	26.5
Vocational Rehabilitation State Grant	2,874.0	2,874.0
Rehabilitation Training	37.8	37.8
P&A for Individual Rights	16.2	16.2
Supported Employment State Grant	29.2	0
National Institute for Disability & Rehabilitation Research (NIDRR)	105.7	105.7
State Assistive Technology Programs	24.7	25.7
P&A for Assistive Technology	4.2	0
<b>Social Security Administration</b>		
Limitation on Administrative Expenses	9,745	10,327
<b>Housing and Urban Development</b>		
Section 811 Supportive Housing	237.0	160.0
Section 8 Rental Assistance	14,700.0	14,000.0
<b>Transportation</b>		
Section 5310--Elderly & People with Disabilities.	127.0	133.5
Section 5317--New Freedom Program	87.5	92.5

\*DOL is again proposing to eliminate separate appropriations for the adult and youth programs in WIA and use the funding to support Career Advancement Accounts

\*\*The PNS total includes \$2 million for a National Clearinghouse and Technical Assistance Center for Family Support.

## The President's 2009 Budget – Program Funding Comparisons

The chart to the right shows the proportion of funding received by mandatory and discretionary programs. Mandatory programs (Social Security, Medicare, and Medicaid, and other) receive over 50% of the budget. Most programs of interest to the disability community in the above table fall into the non-defense discretionary programs category shown in black.



## II The FY 2009 Budget Resolution

The House and Senate Budget Committees are in the process of developing the FY 2009 Budget Resolution (BR) that will serve as the blueprint for revenues and spending.

The Budget Committees have crafted a BR that would spend about \$20 billion more than the Administration on human services. Final passage of the FY 2009 Budget Resolution should take place sometime in April.

Democrats will have to cobble together a BR that appeals to liberals, who want more social spending and to stop funding the Iraq war, and to conservatives, who want to reduce the deficit and lower taxes. Few Republicans are expected to support the BR.

### FY 2009 House and Senate Budget Resolution Comparison

	House BR	Senate BR
2009 Total Expenditures	\$3.1 trillion, including only \$70 billion for the wars in Iraq and Afghanistan	\$3.1 trillion, including only \$70 billion for the wars in Iraq and Afghanistan
Domestic spending	\$22 billion more than the Administration requested	\$18 billion more than the Administration requested
Second economic stimulus package	No provision	\$35 billion which could include aid to states for Medicaid, unemployment benefits and food stamp extensions.
<a href="#">Reconciliation instructions</a> to pay for the pending expansion of the alternative minimum tax (AMT) - about \$62 billion would be needed to offset the AMT expansion	Requires that this extra spending be offset with new revenues.	Not included as the Senate version AMT is addressed without any offsets.

## III FY 2009 Appropriations

President Bush has again warned the Congress that he will veto any FY 2009 appropriations bills that would spend more than he has requested. Last year, the President did veto the FY 2008 appropriations for the Departments of Labor, Health and Human Services and Education. After failing to override that veto, the Congress had to cave to the President in its FY 2008 appropriations bills.

A similar scenario could play out again this year since the Democratic majority does not have the votes to override vetoes. The Democratic leadership is threatening to not send FY 2009 appropriations bills to President Bush. Instead, they would keep the federal

government operating under a Continuing Resolution (CR) until the President vacates his office in January. The new President would then have to deal with the FY 2009 appropriations soon after taking office. The FY 2009 appropriations showdown will likely occur in September or October.

There are pros and cons to a CR. With all funding kept at current levels, none of the Administration's proposed cuts or program eliminations could be made. Conversely, none of the Administrations proposed program increases could be implemented. Finally, a freeze is really a cut since there is no cost of living increase in a CR.

### **FY 2009 Budget Timeline**

Feb, 2008	President Introduces Administration's Budget Request
Mar, 2008	Congress Introduces Budget Resolution
Apr, 2008	Passage of the Budget Resolution likely to occur
Sept-Oct., 2008	Appropriations show down likely to occur
Oct, 2008-Jan,2009	Continuing Resolution possible if Appropriations bills do not pass

The following are summaries of the funding and legislative prospects for our priority programs:

## **Medicaid, Medicare, and SCHIP**

The Administration's FY 2009 budget proposes to reduce Medicaid spending by \$17.4 billion over five years. Medicare spending would be reduced by \$178.2 billion over five years. Much of the Medicare savings, approximately \$117 billion, would come from reducing scheduled reimbursement increases in provider payments over the next five years. For example, inpatient rehabilitation facilities would be cut by \$4.8 billion. Although the budget proposes \$19.7 billion for the State Children's Health Insurance Program (SCHIP) over five years, that amount is not expected to be sufficient to fund benefits for all children currently enrolled in the program.

In budget hearings in the Senate Budget and Finance Committees, members on both sides of the aisle criticized Treasury Secretary Paulson and Department of Health and Human Services Secretary Leavitt for submitting a budget that included such "unrealistic" Medicare provisions.

Frustrated by the unwillingness of the Congress to reform entitlement spending, the Bush Administration has launched an unprecedented attack on Medicaid funding by revising several Medicaid rules to create major savings. If implemented, these regulations would result in the loss of critical services for Medicaid eligible children and adults with developmental disabilities.

Three of the Centers for Medicare & Medicaid Services (CMS) regulations are critical to persons with disabilities and the providers that serve them: 1) case management, 2) school based administration/transportation, and 3) rehabilitative services option. Three

others primarily affect providers and units of state and local government, but due to cost shifts they will cause, ultimately will impact services for persons with disabilities.

Therefore securing enactment of moratoria on these regulations is the top priority for the disability community and other Medicaid stakeholders (Governors, county and local government entities, health and long term services providers), the child welfare community and other advocates. Stakeholders and Congressional allies will attempt to attach a moratorium on the case management regulation on the Iraq supplemental appropriations bill this spring. It is unclear whether extensions of the rehabilitative services and school based administration/transportation moratoria will be attached to that bill or other “must-pass” legislation - such as a bill to ensure that a decrease in Medicare reimbursement to physicians does not take effect.

Securing enactment of moratoria present other challenges in addition to attaching the moratoria onto “must-pass” legislative vehicles. Funding must be secured to offset the cost of the moratoria. Although the House and Senate Budget Committees both included reserve funds for Medicaid moratoria, such offsets must be found. In addition, garnering sufficient Congressional support to override a potential Presidential veto(es) will be critical.

There is growing bi-partisan support for moratoria on the regulations. During its winter meeting the National Governors Association (NGA) told House and Senate leaders that blocking all Medicaid regulations is their top priority for this year. In a letter unanimously supported by all Governors, the NGA underscored its concern about shifting costs to states and stated that the “proposed Medicaid regulations also are a departure from past practices and reflect new and unsupported interpretations in Medicaid law”. Such strong bipartisan support for moratoria will enhance the possibility of their passage.

The regulations:

### **1) Case Management**

The CMS Case Management/Targeted Case Management Rule became effective on March 3rd. According to CMS, it will generate \$1.3 billion in savings over the next five years. Many state Medicaid directors believe that amount severely underestimates the impact of this regulation on services in their states. The regulation will significantly impact the ability of states to ensure quality assurance (health and welfare) in the Home and Community Based Waiver Services program as well as significantly limit transitional case management services (which assist an individual in moving from an institution to the community). The Interim Final Rule reduces federal reimbursement for these services from the last 180 days of an individual’s stay in an institution to the last 60 days of such stay. Legislation to impose a one year moratorium on this rule was recently introduced in the House and Senate. The Senate bill was added as an amendment to the reauthorization of the Indian health services bill, which was passed on February 26. Although this bill passed the Senate, it is significantly different from its House counterpart.

## **2) School Based Administration/Transportation**

On December 28, 2007, the Bush Administration issued its Medicaid final rule limiting reimbursement for school based administrative services and transportation. This regulation will generate \$2.8 billion in cuts over five years and will have a devastating impact on numerous school systems across the country. The cuts will result in cost-shifts that will affect other critical services. School administrators estimate that by eliminating Medicaid reimbursement for administrative costs, they may be forced to severely reduce related services (e.g. physical, occupational and speech and language therapies) provided to Medicaid eligible children with Individual Education Programs. Many school administrators also believe that these cuts will require them to eliminate other services such as classroom aides for children with disabilities receiving special education.

## **3) Rehabilitative Services Option**

CMS estimates that its proposed rehabilitative services option rule will generate \$2.2 billion in cuts over five years. This rule will significantly impact persons with developmental disabilities, mental illness, and children in therapeutic foster care. The rule is particularly harmful for people with intellectual and other developmental disabilities because it proposes to transfer habilitation services (a variety of services that enable an individual to maximize independent living skills) from the rehab option to the waiver program. Since waiver programs are capitated, this transfer would diminish the number of individuals who benefit from habilitation services. In addition, since eligibility criteria for the rehab option differs from eligibility for the waiver, there will be some people who will lose services if habilitation is covered only through the waiver. New York, Massachusetts and Washington are among the states that are especially affected by this proposed rule because they still provide habilitation services under the rehab option.

The school based administration/transportation final rule and the rehabilitative services option proposed rule are under a moratorium until June 30, 2008. The moratorium will prevent CMS from issuing the rehabilitative services rule in final form whereas the moratorium on school based services/transportation will delay the final rule's implementation.

As noted above, the DPC is aggressively working with other Medicaid stakeholders to secure a moratorium for the case management rule and an extension of the school based administration/transportation and rehabilitative services option rule. A "universal" bill which will include moratoria on all Medicaid regulations is expected to be introduced in the House and Senate soon.

## Summary of CMS Regulations affecting People with Disabilities

Regulation	5 Year Cost	Status	Description	Changes could impact
<b>Rehabilitation Services (Rehab) Option</b>	\$2.3 billion cut	Proposed: August 2007  Moratorium through June 2008	Narrows scope of rehab services. <a href="#">See comments to CMS</a>	* Day habilitation such as DD skills training and communications skills training
<b>School-Based Administration and Transportation Services</b>	\$3.6 billion cut	Final: December 2007  Moratorium through June 2008	Prohibits all Medicaid payments for school-based administration and most transportation services. <a href="#">See Comments to CMS</a>	* Transportation * Occupational therapy * Physical therapy * Speech/language therapy
<b>Case Management and Targeted Case Management (TCM)</b>	\$1.3 billion cut	Interim final: December 2007  Became effective on March 3, 2008	Restricts coverage of transitional case management. <a href="#">See Comments to CMS</a>	* Transition from institutional care to the community

<http://www.thearc.org/NetCommunity/Document.Doc?&id=578>

<http://www.thearc.org/NetCommunity/Document.Doc?&id=608>

<http://www.thearc.org/NetCommunity/Document.Doc?&id=890>

For a state-by-state summary of how much the Medicaid regulations will cost, see:

<http://oversight.house.gov/features/medicaid08/>

### Home and Community-Based Services Option

Senator Kerry (D-MA) is expected to introduce a bill to fix some of the problems that have been identified in the new Section 1915(i) Medicaid home and community-based services (HCBS) option. The bill would, among other things:

- Remove the authority for states to cap services and maintain waiting lists;
- Allow states to provide the full range of services that can currently be provided under the HCBS waiver (including other services approved by the Secretary);

- Remove the limit on coverage of people with incomes up to 150 percent of poverty and allow the full range of income eligibility allowed for people in facility-based settings; and
- Eliminate the states' ability to limit services to certain sections of the state.
- Changes to the HCBS option could be addressed in a budget reconciliation bill if such a bill is authorized by the Budget Resolution for FY 2009.

## Community Choice Act

Senator Tom Harkin (D-IA) and Rep. Danny Davis (D-IL) introduced the Community Choice Act ([S. 799](#); [H.R. 1621](#)). This legislation would amend Medicaid to require state Medicaid coverage of community-based attendant services and supports for certain Medicaid-eligible individuals. States would receive an enhanced federal matching rate for meeting certain benchmarks and for serving people whose costs exceed 150 percent of average nursing home costs. The support available under this bill would include services to assist in accomplishing activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related tasks through hands-on assistance, supervision, or cueing. ADLs cover eating, toileting, grooming, dressing, bathing, and transferring. IADLs include meal planning and preparation; managing finances; shopping for food, clothing, and other essential items; performing essential household chores; communicating by phone and other media; and traveling around and participating in the community. Health-related tasks are defined as those tasks that can be delegated or assigned by licensed health-care professionals under state law to be performed by an attendant. Services also include assistance in learning the skills necessary for the individual to accomplish these tasks him/herself. Services must be provided in a home or community setting based on a written plan.

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<http://www.thomas.gov/cgi-bin/bdquery/z?d110:h.r.01621:/>

The Senate Finance Committee held a hearing in September 2007 regarding home and community based services. The House Energy and Commerce Subcommittee on Health held a hearing in January 2008. The Community Choice Act was discussed in both hearings. The Community Choice Act would most likely need a vehicle such as a budget reconciliation bill in order to pass. However, until the Congressional Budget Office (CBO) completes a budget estimate, this bill is unlikely to move.

## Other Long Term Services and Supports

The Community Living Assistance Services and Supports Act (CLASS Act) would create a new national insurance program to help adults who have or develop functional impairments to remain independent, employed, and stay a part of their community. Financed through modest voluntary payroll deductions (with opt-out enrollment like Medicare Part B), this legislation would help remove barriers to choice and independence (e.g., housing modification, assistive technologies, personal assistance services, transportation) by providing a cash benefit to those individuals who are unable to perform 2 or more functional activities of daily living. The large risk pool would make added

coverage much more affordable than it is currently. The CLASS Act is hailed as a way to provide critical coverage without forcing people into impoverishment to qualify for Medicaid services, and therefore, as a way to relieve pressure on the Medicaid program which now serves as the fall-back program for people without private insurance coverage for long term care.

The CLASS Act was introduced by Senator Edward Kennedy (D-MA) as [S. 1758](#) and Representative Frank Pallone (D-NJ) as [H.R. 3001](#). The Senate Health, Education, Labor and Pensions (HELP) Committee held a hearing on numerous long term services issues in July 2007. The House Energy and Commerce Subcommittee on Health held a hearing in January 2008 which addressed the CLASS Act and other long term services and supports issues. Advancement of this bill will likely depend on the Congressional Budget Office cost estimates. Early indications from an independent audit are that the bill has the potential of saving significant money in the Medicaid program. However, the public CBO estimate will be key.

[http://www.thomas.gov/cgi-bin/bdquery/z?d110:s.01758:/](http://www.thomas.gov/cgi-bin/bdquery/z?d110:s.01758/)

<http://www.thomas.gov/cgi-bin/bdquery/z?d110:h.r.03001:/>

## ADA Restoration

The ADA Restoration Act ([H.R. 3195](#), [S. 1881](#)), a bill designed to return the Americans with Disabilities Act to Congress' initial intent regarding employment discrimination protection for people with disabilities, continues to move forward. Strong bi-partisan support has been built in the House (245 co-sponsors) while Senate co-sponsorship continues to struggle with only 4 to date. The business community, the Department of Justice and the Bush Administration have indicated their opposition, claiming the bill is an expansion and would "cover anyone." In line with other civil rights laws, the ADA Restoration Act would cover anyone who has experienced discrimination on the basis of disability. With active and positive outreach to both Houses of Congress, the business community and the Administration in progress, and with champions in the House and Senate, this bill has a reasonable chance of being passed in an election year. The key to enactment may be the ability of the disability and business community to reach agreement on a bill.

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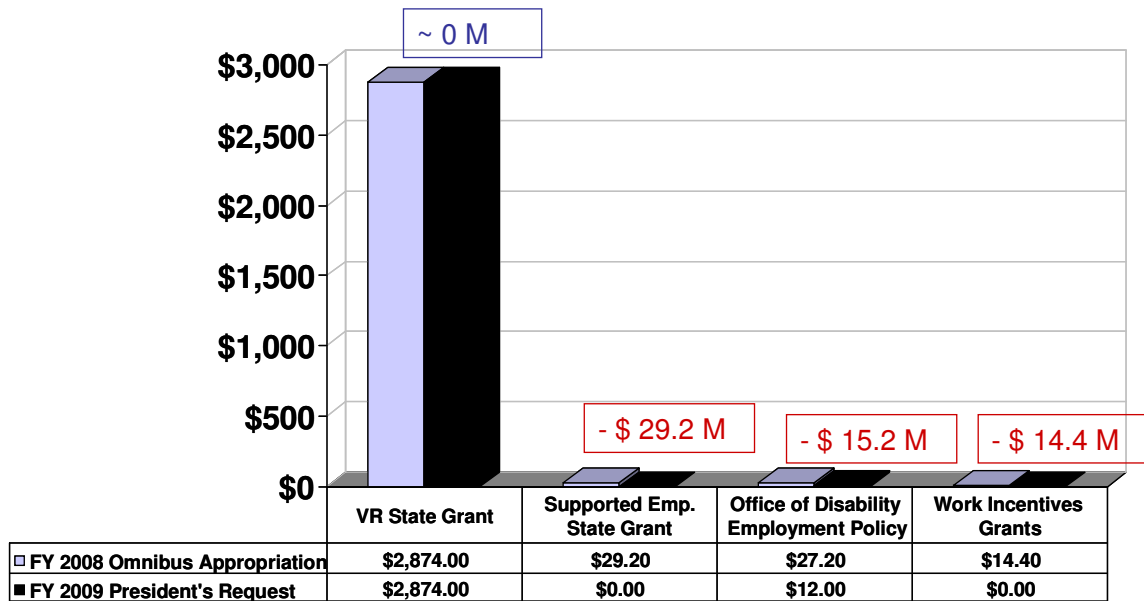
## Employment

The disability advocacy community is urging Congress to reauthorize the Vocational Rehabilitation (VR) Act this year. VR is Title IV of the Workforce Investment Act (WIA). It is unlikely that Congress will reauthorize WIA due to significant disagreements between the Administration and Congress but the committee staff is giving some consideration to reauthorizing VR separately from WIA. We are encouraging Hill staff to move ahead, though we recognize that with the short legislative season and other priorities, the bill may not move.

The President recommended level funding for the Vocational Rehabilitation State Grant program. The Rehabilitation Act, the authorizing statute, includes a mandatory cost of living increase for the program. The Administration's Budget ignores that mandatory provision. As in previous years, the Administration did not request any funding for the Supported Employment State Grant Program (\$29.2 million in FY 2008), the Projects with Industry programs (\$19.5 million in FY 2008), recreational programs (\$3 million in FY 2008) or migrant and seasonal farm worker programs (\$2 million in FY 2008). The Vocational Rehabilitation program is already grossly underfunded to meet the needs of people with significant disabilities who want to work.

The Bush Administration once again proposed very significant cuts to the Office of Disability Employment Policy (ODEP), from \$27.2 in FY 2008 to \$12.0 in FY 2009. The Administration has again proposed eliminating the Work Incentive grant program (\$14.4 million in FY 2008).

### FY 2009 Funding for Employment Programs



All numbers in millions

The President's budget reflects the Administration's legislative proposals to cut the funding and combine the youth, adult, dislocated worker, work opportunity tax credit, labor market information, and employment service state grants into a single state grant

## Direct Support Workforce

Support for [H.R. 1279, the Direct Support Professionals Fairness and Security Act](#) is growing in the House of Representatives. The lack of a bill in the Senate is very problematic. While passage in this Congress is unlikely, educating Members of Congress about the crisis and building support for higher wages is critical for action in the next Congress.

## Education

### No Child Left Behind

The reauthorization of the No Child Left Behind Act (NCLB) is way behind schedule. Neither House has produced a reauthorization bill authored by committee leadership. Both chairmen of the committees of jurisdiction (Sen. Ted Kennedy (D-MA) and Rep. George Miller (D-CA)) have expressed strong interest in a bipartisan approach but have yet to achieve that. President Bush has also stated his goal of getting NCLB completed before his term as President expires. Yet, President Bush has also forewarned the Congress that he would veto any NCLB bill that weakens, in his view, the key components of current law. The window to reauthorize NCLB is closing rapidly.

### Higher Education

The House and Senate have both passed comprehensive reauthorizations of the Higher Education Act which contain important disability provisions. Staff work has begun on the conference agreement. The timeline is to try to have an agreement by the end of April. While the disability provisions are similar in both bills, there are a number of other differences that will need to be worked out. Among several education-related bills, this bill has the best chance for enactment.

## TANF

The DPC is educating Members of Congress about the fact that many of the people who continue to receive TANF benefits have disabilities or are caring for family members with disabilities and that states require more flexibility to provide services to these individuals. The final regulations implementing the reauthorization were recently published by the Department of Health and Human Services and do not significantly improve the situation for people with disabilities in the program. The regulations do provide an opportunity to talk with Members of Congress about this issue though it is unlikely that Congress will act this year. We continue to urge Senators to cosponsor [S. 1730, the Pathways to Independence Act of 2007](#) which addresses our concerns and we are seeking a companion bill in the House of Representatives.  
<http://www.thomas.gov/cgi-bin/bdquery/z?d110:s.01730:/>

## Social Security

While Social Security benefits are not subject to the annual appropriations process because benefits must be paid to those people who are entitled to them, the administrative functions of the Social Security Administration (SSA) are funded as SSA's Limitation on Administrative Expenses (LAE) through the annual appropriations process. SSA has a

national workforce of about 60,000 people and 1,400 facilities nationwide. The current processing time for an appeal hearing averages 514 days. These delays hurt people with disabilities who file applications for benefits and/or request hearings on denials and who must then wait months or years to receive benefits to which they are entitled, as well as those who become so discouraged with the process that they quit trying.

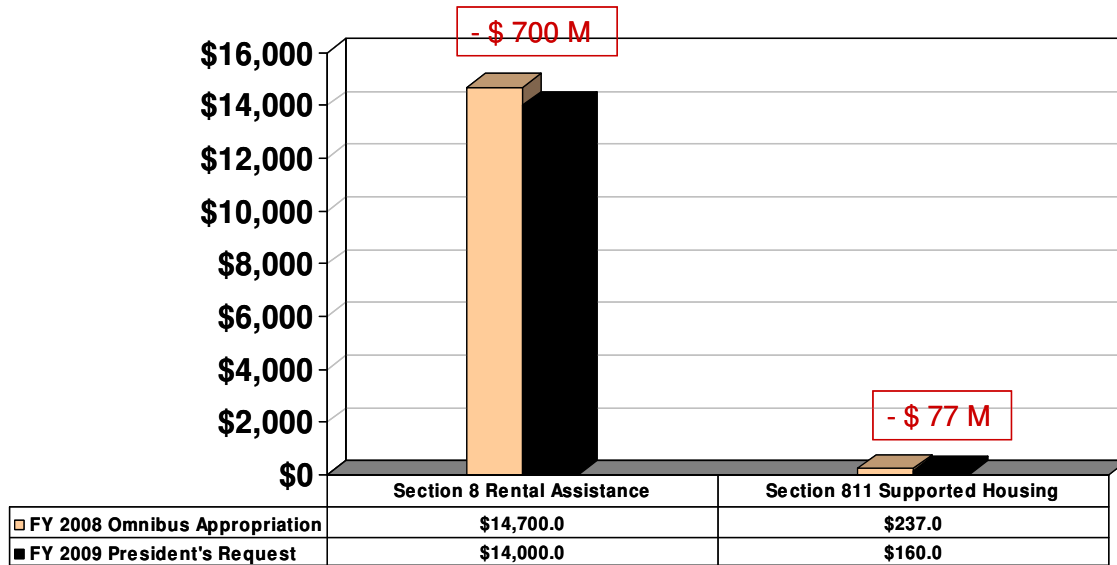
The FY 2008 funding level for SSA's LAE is \$9.744 billion, which is \$451 million above the FY 2007 spending levels and \$150 million above the Administration's request. This amount will cover the annual cost of living adjustments for all SSA staff and increases in rent and the cost of security services for local offices. It will also allow for hiring new administrative law judges (ALJs) and support staff to address the crisis in disability appeals. SSA projects hiring 150 new ALJs in the spring of 2008.

For FY 2009, the President's request is for \$10.327 billion. Disability advocates are urging that Congress appropriate \$11 billion for SSA's Limitation on Administrative Expenses. In addition, advocates have recommended that Congress remove SSA's budget authority from discretionary spending caps. SSA's LAE would still be subject to the annual appropriations process and Congressional oversight. However, the large increases that SSA requires just to maintain pace with inflation and to make improvements to the system have an impact on other worthy programs within the appropriations bills for Labor, Health and Human Services, Education, and Related Agencies.

## Housing

For the fourth consecutive year, the Bush Administration's budget proposes a deep cut in the Section 811 Supportive Housing for Persons with Disabilities program, dropping funding to \$160 million, down from its FY 2008 level of \$237 million. All of the \$77 million cut would come from the portion of the 811 program that produces new units of permanent supportive housing, the capital advance/project-based side of the program, i.e. capital grants and project-based rental assistance directed to non-profit disability groups that develop supportive housing (that is housing support targeted to individuals with severe disabilities who need services directly linked to their housing). In each of the past three years, Congress, in response from aggressive education from the DPC and other disability groups, has restored the cuts. Restoring the funding will once again be the highest priority for the DPC.

## FY 2009 Funding for Housing Programs



*All numbers in millions*

Last year, Congress provided \$30 million in new funding for approximately 4,000 Section 8 vouchers targeted to non-elderly persons with disabilities. Although we will aggressively seek to secure additional funding for targeted vouchers, in this tight budget environment prospects are dim.

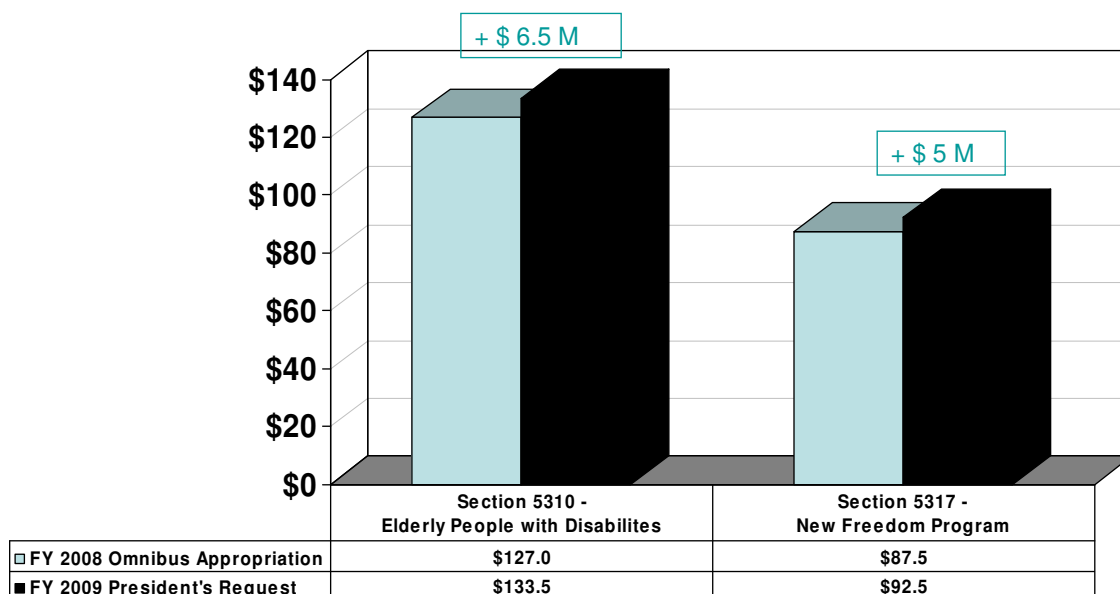
### Title XX Social Services Block Grant

Social Services Block Grant. Title XX provides a wide range of community based services in many states to people with disabilities that would be significantly hurt by such a large decrease in funding.

### Transportation

The President's budget recommended the fully authorized levels for the New Freedom program, (\$92.5 million in FY 2009) and the Section 5310 program for the elderly and people with disabilities (\$133.5 million in FY 2009). The FY 2008 funding for New Freedom was \$87.5 and \$127.0 for the Section 5310 program for the elderly and people with disabilities.

## FY 2009 Funding for Transportation Programs



*All numbers in millions*

### Disability Savings Accounts

There are efforts by Senators Dodd (D-CT), Casey (D-PA), Hatch (R-UT), and Representative Crenshaw (R-FL) to allow families to create disability savings accounts for their children with disabilities. Similar to the Section 529 accounts to save for future higher education, these accounts would be designed for long-term savings to assist an individual with disabilities in meeting his/her future needs. While the Dodd ([S. 2741](#)), Casey-Hatch ([S.2743](#)), and Crenshaw ([H.R. 2370](#)) bills differ somewhat, supporters of the bills are working to achieve a common goal.

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<http://www.thomas.gov/cgi-bin/bdquery/z?d110:h.r.02743:/>

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There is substantial momentum developing around these bills and pressure to enact something soon. While the bills are attracting Congressional attention in this election year, there are several legislative obstacles that must be overcome before passage. The Congressional Budget Office has not yet given an estimate on the bills. Since the bills have tax implications and would have some effect on means-tested entitlement programs, it is likely that sponsors will need to identify ways to pay for the costs of the bills. In addition, since the House bill's provisions affect the jurisdiction of more than one Committee, it is possible that several Committees and Subcommittees will assert their right to act on the bill.