



An Update on the Tax and Budget System

***Please note, we are sending this e-brief to several groups that have worked with Arkansas Advocates for Children and Families, including the Kids Count Network. If you would like to receive the Moving Families Forward e-brief in the future, please reply to csmith@aradvocates.org. If you have already expressed an interest in receiving this update, there is no need to reply again.*

Welcome to the second e-brief of Moving Families Forward! This e-brief will provide updates and alerts on state and federal tax and budget issues that impact low-income children and their families.

Medicaid Regulations Update

We have more good news on the Medicaid front. Last year the Bush Administration issued seven regulations that would have forced states to comply by cutting critical school-based, case management, and rehabilitation services for our children. Congress has been working to, at a minimum, delay the regulations until the next administration. Last week, the U.S. Senate adopted the domestic component of the "Supplemental Appropriations Act of 2008" (H.R. 2642) by a veto-proof margin of 75-22. Both Arkansas Senators voted "yea" for the bill, which included moratoria on the Administration's Medicaid regulations. The moratorium will allow many of Arkansas's children and their families to continue to receive the same level of Medicaid assistance for school-based and rehabilitation services.

This means both the House and Senate have approved the moratorium on the seven Medicaid regulations. However, there are some significant differences that need to be resolved in other parts of the bill that do not involve the Medicaid regulations. After both bodies approve the same legislation, the final bill will go to the President. It remains to be seen whether the President will sign or veto it because of his objections to the level of spending for other domestic programs in the bill. The Administration's Statements of Administration Policy (SAP) on both versions of the bill are available at the White Office of Budget and Management website at <http://www.whitehouse.gov/omb/legislative/sap/110-2/index-date.html>.

We would like to thank Senators Lincoln and Pryor, and Congressmen Berry, Boozman, Ross and Snyder for voting for this legislation.

Farm Bill Update

A clerical error that omitted more than 30 pages of the Farm Bill on its way to the White House is looming over the fate of the reauthorization of this \$289 billion legislative package, which includes funding for food stamps, school breakfast and school lunch programs.

Just a few hours after the President's veto of the congressionally approved Farm Bill, H.R. 2419, last Wednesday, the House of Representatives overrode the veto by a margin of [316-108](#) sending the package to the Senate. The Senate approved the measure the next day by a vote of [82-13](#) thereby allowing the bill to become public law over the President's veto. Although additional votes may actually be needed to correct that error, the results are now clear—the bill will become law. Both the House and the Senate are expected to pass the corrected version of the bill with a veto proof margin.

We would like to thank Senators Lincoln and Pryor, and Congressmen Berry, Boozman, Ross and Snyder for voting for this legislation. We would like to especially thank Senator Lincoln for her support of the substantial increase in nutrition spending in the 2007 Farm Bill, which will strengthen Arkansas's nutrition safety net.

The final version of the 2007 Farm Bill will include \$10 billion in nutrition spending for food stamps and the "The Emergency Food Assistance Program." The increase in funding should help Arkansas's food banks to meet the growing demand as working families struggle to make ends meeting in a slowing economy.

Budget Resolution Update

The vote on the conference report for this year's budget resolution is delayed but should come up for consideration in the first week of June. The budget resolution, produced by the House and Senate Budget Committees, is an over-arching document to guide future congressional budget actions. It is not a law and cannot enact spending or tax changes. Therefore, the President does not sign or veto the resolution. Moreover, the bill cannot be filibustered in the Senate and requires only a simple majority vote for passage in the House and Senate. To view the joint press release from the House and Senate Budget Committees, please visit the House Budget Committee website at <http://budget.house.gov/>.

Contact Us

If you would like more information on the topics discussed above, please contact Candice Smith, our federal tax and budget policy director, at csmith@aradvocates.org. If you would like information on a state tax and budget issue, please contact Pat Bodenhamer, our state tax and budget outreach director, at pbodenhamer@aradvocates.org.