



Congress Faces Deadline on Children's Health Coverage and Food Stamps

Congress faces a deadline affecting two programs of critical importance to California's low-income families. Lawmakers must renew – or “reauthorize” – both the State Children's Health Insurance Program (SCHIP) and the Food Stamp Program by September 30. Congress is considering a funding increase for food stamps and will likely approve an increase for SCHIP, although the SCHIP bill is at risk of a presidential veto.

SCHIP

On September 25, the House passed a compromise measure reauthorizing SCHIP that would increase federal funding to provide health coverage for more low-income children. The agreement would provide an additional \$35 billion for SCHIP and Medicaid over five years and would extend health coverage to nearly 4 million additional US children. The House passed the bill with the support of 45 Republicans; the Senate passed a similar measure in August with bipartisan support.

The bill would effectively reverse guidance released by the Bush Administration in August that makes it very difficult for states to use federal SCHIP funds to cover children with incomes above 250 percent of the poverty line. Under the House-passed measure, California would continue to have flexibility to expand health coverage to children with somewhat higher incomes. Both the Governor's and Legislature's health reform plans would provide health coverage to children with incomes up to 300 percent of the poverty line.

The Senate is expected to pass the measure this week. However, the Bush Administration has threatened to veto any SCHIP bill that includes a significant funding increase. If, as expected, the President vetoes the compromise, Congress will likely enact a temporary extension of SCHIP funding.

Food Stamp Program

Congressional action on the Food Stamp Program, which is included in the “Farm Bill,” has been stalled since the House passed its version of the Farm Bill in July. Congress is unlikely to reach an agreement by the September 30 deadline and is expected to approve a temporary extension of funding for the program, although details of the extension are not clear at this time. The Food Stamp Program provides nutritional benefits for about 2 million Californians, who receive an average benefit of just \$1 per person per meal. The House bill would boost food stamp funding by \$3.3 billion over five years in order to make a range of improvements to the program.

These changes include increasing the amount of food stamp benefits that families receive, allowing families to deduct all child care costs from their incomes when their benefits are calculated, and modestly raising the “asset limit,” which has been frozen at \$2,000 for most families since 1986. The Senate Agriculture and Finance Committees are expected to take up the Farm Bill in October, but it is not clear whether the Senate bill will include additional funding for the Food Stamp Program.