

## HR-8, Head Start: Strengthening Collaboration (Substitute Amendment)

The revised policy is an amendment in the form of a substitute. It expresses the Governors' support for the Head Start program in providing comprehensive services to children and families. While some progress has been made to move toward greater collaboration between Head Start and other programs, some barriers still remain. The policy expresses the Governors' support for exploring options for greater collaboration at the state and local level and outlines a few examples of ways collaboration could be enhanced.

This policy has no fiscal impact.

### **Talking Points:**

- Mississippi has 198 licensed Head Start centers served **25,176 children** during the 1999/2000 school year.
- 23 agencies received grants to operate the state's 198 licensed Head Start centers (12 community action agencies, 9 non-profits (private and public) and 2 government agencies)

[Source: The Head Start-State Collaboration Office, Department of Education, *Mississippi's Head Start Profile 2000*]

## HR-9, Veterans Affairs (New Policy Position)

This proposed policy expresses Governors concerns about America's veterans in obtaining benefits and services. For example, the proposal calls for an independent study to review the U.S. Department of Veterans Affairs service delivery systems and to make recommendations on how they might be improved. The proposal explores issues of health care for veterans, the cemetery program, disabled veterans outreach programs, homelessness and affordable housing for veterans, and the home loan guarantee program for veterans.

The fiscal impact of this proposal depends on whether a state participates in certain programs, shares the cost of programs, or decides to enhance programs. For example, states must pay 35 percent of veterans' long-term care facilities.

### **Talking Points:**

- Mississippi has more than 220,000 veterans with more than 49,000 receiving VA benefits (Federal FY99 total benefits were \$303 million).
- Of these 49,000 veterans more than 21% (approximately 10,500) seek our assistance with their VA benefits.
- Mississippi provides housing for more than 840 homeless veterans annually (State Veterans Homes) and housing assistance for more than 2,700 veterans through the state's revolving loan program.

HR-11, Governors' Role in Supporting Standards-Based Education Reform  
(Amendments)

Minor changes were made to update the policy and to reflect changes to standards-based reform at the state and federal level. In addition, the policy's sunset date is extended for two years.

This policy has no fiscal impact.

**Talking Points:**

- This year, Mississippi passed a new educational accountability bill that will evaluate schools on student performance and improvement.
- Evaluation teams, as in the North Carolina model, will be sent to schools to improve priority schools.
- Schools not meeting established growth expectations or grade-level proficiency standards will be designated Priority Schools.
- The Governor, at the State Department of Education's request, may subject the District Superintendent to recall if improvement is not made in three years. Local board members are subject to recall or reappointment if the district has a Priority School for three years.

HR-12, Juvenile Crime and Delinquency Prevention Programs and Principles  
(Amended)

The current policy is amended with the addition of a section supporting the concept of the Juvenile Crime Accountability Program and calling on Congress to establish goals for the program and give states the flexibility to accomplish these goals. Also, a section concerning state strategies for combating violent juvenile crime was deleted from the policy because Congress interpreted it as supportive of mandates on all states. In addition, the policy's sunset date is extended for two years.

This amendment would not have a major fiscal impact on states. It is a block grant program funded at \$250 million in fiscal 2000.

**Talking Points**

- 21,706 Mississippi juvenile crime cases were disposed of in 1998.
- 363 violent juvenile offenders incarcerated in Mississippi's Correctional facilities with a juvenile facility coming on-line in March 2001 (Walnut Grove, 500 beds).
- Federal support for Mississippi's juvenile offenders will only be \$4.5 million in 2000, less than 2% of the total block grant.

## HR-13, Combating and Controlling Substance Abuse and Illegal Drug Trafficking (Amended)

Several amendments are suggested to this policy. First, in addition to fully funding treatment, education, and law enforcement efforts to combat drug abuse, drug courts are added to the list of programs to be fully funded. Second, a new section on methamphetamine manufacturing, sale, and clandestine lab cleanup is added, which encourages Congress and the Administration to adequately fund methamphetamine lab cleanup and to support state efforts to reach effective solutions for combating the methamphetamine trade. Third, the federal government is urged to support the National Guard counterdrug activities by providing a stable budget to attract and maintain personnel. Finally, a new section supporting the High-Intensity Drug Trafficking Area (HIDTA) program is added, which urges Congress to continue their support for HIDTA, and asks that the Director of the Office of National Drug Control Policy reexamine the criteria for designating HIDTAs so that other areas of high trafficking in illegal drugs may be designated. In addition, the policy's sunset date is extended for two years.

The fiscal impact on states is in providing personnel to work with federal officers in HIDTAs.

### **Background**

In 1998, P.L. 100-690 established the HIDTA Program under the direction of the Office of National Drug Control Policy. HIDTA funds are given to state target areas with extremely high drug trafficking and violent crime rates. The Gulf Coast HIDTA consists of Alabama, Mississippi and Louisiana. These states have seaports that serve as a gateway for drugs entering the U.S. Drug trafficking groups have created significant drug distribution networks that have led to a series of drug-related crimes and social problems. The HIDTA team is composed of enforcement personnel from federal, state and local agencies. The team also coordinates strategies to reduce illegal drug trafficking.

### **Talking Points**

- As Lt. Governor, I led the Legislature to pass an act (SB2442, 1999) to **double** the penalties for violations of the Uniformed Controlled Substances Methamphetamine Precursor Law.

## HR-16, Medicaid (Amended)

The Medicaid policy contains a number of minor and technical changes, as well as three more substantive ones. The significant amendments include the addition of language opposing "any willing provider" legislation, which was added from policy EC-5 (scheduled to sunset). A second amendment strengthens the policy's call for the federal government to absorb all of the costs for the dual eligible population, including whatever senior prescription drug benefit ultimately is passed into law. The policy previously only asked for the federal government to absorb Medicare cost-sharing requirements currently paid for by Medicaid. Finally, the policy contains a new amendment on the Medicaid Drug Rebate Program. This amendment states Governors' concerns regarding the rising costs of this program and calls upon the Health Care Financing Administration to quickly promulgate final regulations on the program.

The first amendment is essentially a continuation of current policy and should therefore have no fiscal impact. The second amendment would create a huge fiscal benefit for states, by shifting those costs to the federal government. The third amendment could have the ultimate result of financial savings for both the states and the federal government if states are given additional tools to controlling Medicaid pharmaceutical costs.

### **Talking Points**

- Mississippi Medicaid pharmaceutical costs exceeded \$335.6 million in Fiscal 2000 (16% of 2000 Medicaid budget).
- In total dollars, Zyprexa (schizophrenia, bipolar mania) was the single- most expensive drug covered under Mississippi Medicaid (\$13.2 million)
- Prilosec (gastrointestinal illnesses) was second.

## HR-19, Welfare to Work (Amended)

This policy is updated to reflect several changes related to eligibility for the Welfare to Work (WtW) program that have been enacted since approval of the original policy last August. Given the delay in implementation of these statutory changes, however, the policy expresses the Governors' support for a two-year extension of the existing WtW funds so that states are able to take full advantage of the new flexibility.

The Congressional Budget Office estimates that there will be no cost involved with extending the existing funds.

### **Background**

Congress authorized \$3 billion for the Welfare-to-Work grants: \$1.5 billion for FY 1998 and \$1.5 billion for FY 1999. There were two types of Welfare-to-Work grants: formula grants to states and competitive grants to local applicants. **Mississippi did not receive any formula grant funds for FY 1998 or FY 1999 due to the former administration's failure to submit a state plan.** The planning estimates for the formula grants indicate Mississippi would have received a total of \$25.1 million. No new funds have been allocated since that time.

Although there were no formula grants, two competitive grants were awarded to local applicants in Mississippi:

1. Hinds County received \$3.3 million to minimize barriers to employment through community partnerships in order to match workers to employers.
2. The Mississippi Action for Community Education in Greenville received \$1.6 million to create employment and on-the-job training opportunity for TANF recipients through the establishment of a manufactured housing facility in Metcalfe.

Welfare-to-Work funds under both the formula and competitive grants can be used for a range of activities intended to move individuals into jobs, including wage subsidies in the public or private sector; on-the-job training; contracts with public or private providers of job readiness, placement or post-employment services; vouchers for similar services; community service or work experience; job retention services; and supportive services (if not otherwise available). The 1999 Amendments affecting the Welfare-to-Work program added vocational education and job training (for up to 6 months) as additional allowable activities.

## HR-26, Child Welfare Financing (New Policy)

This new policy calls on Congress and the Administration to explore options for greater funding and administrative flexibility for state child welfare systems while maintaining the Title IV-E entitlement and the protections for children contained in federal law. Governors believe that changes to the current system of child welfare financing could help to further improve the states' ability to provide critical child welfare services to families. The policy outlines a number of complexities and challenges within the existing child welfare system, and suggests a number of options for statutory and regulatory change.

While no major legislative initiatives to overhaul child welfare financing have been introduced at this time, statutory changes would provide states with greater flexibility within their child welfare budgets.

## HR-33, Low-Income Home Energy Assistance Program (Amended)

Since the approval of this policy at the NGA Winter Meeting in February, a slight revision was made to the section related to the weatherization program. The policy continues to express the Governors' support for the LIHEAP program. The revised language clarifies the Governors' concerns about the cost shift on states as a result of the new weatherization match rate requirement. These amendments were adopted as interim policy by the NGA Committee on Human Resources on April 27, 2000.

### **Talking Points**

- Mississippi has received \$7.9 million for calendar year 1999, serving more than 41,000 clients.
- Since January 2000, Mississippi has received \$9.6 million with over \$1,000,000 as emergency monies.

## HR-35, Employment Security System Policy (Amended)

Amendments to this policy are the same as amendments made to the identical policy in the Economic Development and Commerce Committee (EDC-17). The amendments update the policy, call for restoration of flexibility in states' use of Reed Act funds, and list the Governors' priorities, which include repealing the Federal Unemployment Tax Act (FUTA) surtax, preserving protections for workers, and others. The amendments also indicate awareness of and support for ongoing discussions between various stakeholders and call on Congress and the President to enact legislation that is consistent with the Governors' priorities. In addition, the policy's sunset date is extended for two years.

These amendments would have a significant fiscal impact, particularly the repeal of the 0.2 percent FUTA surtax, which would reduce federal revenues by more than \$1.3 billion annually.

### **Background**

The surtax is deposited in the unemployment administrative trust fund and is co-mingled with the base tax collections of .6%--80% of the total collections go to the Employment Security Administrative account (ESAA) which finances the administrative activities of the employment security program. 20% of the total collections go to the Extended Unemployment Compensation Account which finances Federal/State extended benefit programs.

### **Talking Points**

- Mississippi's employers paid \$53.1 million in FUTA taxes during the Federal Fiscal Year 1997.
- The federal government made administrative grants in the amount of \$26.6 million to Mississippi during the Federal Fiscal Year 1997 (50%).

HR-37, Private Sector Health Care Reform (Amended)

The amendment to this policy is the same as the "any willing provider" amendment made to the Medicaid policy (HR-16). In each case, the language was added from policy EC-5, which is scheduled to sunset.

This is essentially a continuation of current policy and should have no fiscal impact.

HR-Resolution #1: Providing Health Insurance to Children and Families (Based on permanent policy, Principles for State-Federal Relations, and policy HR-15, Children's Health)

This resolution calls on the Administration to quickly approve S-CHIP waivers that have been submitted by states and also calls for Congress to reject the \$1.9 billion cut to the program contained in the Senate Labor, Health and Human Services, and Education appropriations bill.

Waivers would allow a number of states to access their currently unspent S-CHIP allocations, resulting in higher levels of state and federal spending. The \$1.9 billion proposed cut would be taken out of those unspent allocations.

HR-Resolution #2, Summer 2000 Weather (based on policies HR-25, Emergency Management, and EDC-12, Economic Recovery from Disasters)

This resolution recognizes the possibility of below normal precipitation and above normal temperatures during Summer 2000, and urges the federal government to work cooperatively with states and regions impacted by the weather conditions to ensure that appropriate disaster assistance is provided in a coordinated and expeditious manner.

**Talking Points:**

- Agriculture is Mississippi's number one industry.
- The economic impact of drought and other disasters will be devastating on our state's economy.
- It is imperative that we save our family farmers and ensure that citizens have access to the resources they need to rebuild their lives.