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## House Passes Bill with New Funding for Affordable Housing

On May 22, the House passed H.R. 1427, The Federal Housing Finance Reform Act of 2007, with a strong bi-partisan vote of 313-104. The general purpose of the bill is to reform the government-sponsored enterprises (GSEs) and to strengthen the role of the GSE regulator. The bill also includes a section that creates an affordable housing fund paid for by 1.2 basis points each on the total outstanding mortgages of the government sponsored enterprises (GSEs), Fannie Mae and Freddie Mac. The fund will make grants to for-profit and nonprofit developers to build, preserve, and rehabilitate affordable housing for very low-income and extremely low-income people. A significant portion of the housing will be rental housing. The first year grants will be limited to the Gulf Coast area. The bill also provides that the affordable housing fund will be a dedicated source of funding for a National Housing Trust Fund when one is created. A National Housing Trust Fund bill is expected to be introduced in the House in the summer of 2007.

Two amendments were accepted which impact immigrants. An amendment by Representative John Doolittle (R-CA) would restrict GSEs from purchasing mortgages made to anyone without a valid Social Security number. It was adopted by a vote of 217-205. The second amendment, offered by Representative Tom Price (R-GA), passed 235-188. This amendment restricts housing produced by the Affordable Housing Fund to adult residents who can establish their legal residency through secure forms of identification (i.e. "real ID").

No similar GSE-reform legislation is currently pending in the Senate. The Senate may act on the House bill later this year.

## Housing Legislation Passes Committee

The House Financial Services Committee passed the Section 8 Voucher Reform Act (SEVRA), H.R. 1851, on May 24. The bill resolves problems with housing voucher renewal funding, assures voucher holders of the ability to move with their vouchers, and simplifies rent calculations for voucher holders and public housing residents.

The Committee accepted a negotiated amendment to provide 100,000 new vouchers over five years. Language was also added renaming the Moving to Work demonstration program to the Housing Innovation Program (HIP). Public housing authorities participating in Moving to Work (now HIP) are given additional flexibility in setting rents, time limits, and occupancy policies.

The House Financial Services Committee also passed the Expanding Home Ownership Act of 2007 (H.R. 1852) on May 3. The bill reforms the Federal Housing Administration (FHA). The FHA assists middle income households and higher risk borrowers who might otherwise turn to predatory and high-priced mortgage loan alternatives. Advocates are pleased that the legislation includes a provision that would reinvest increased FHA profits in housing counseling and in an affordable housing fund. The affordable housing funds would be directed to a National Housing Trust Fund when such a fund is created.

Both H.R. 1851 and H.R. 1852 are expected to be voted on by the full House in June or July.

## **Foster Care Training Bill Introduced**

On May 15, Congressman Jerry Weller (R-IL), ranking Republican on the Income Security and Family Support Subcommittee of the House Ways and Means Committee, introduced H.R. 2314. The bill would amend Title IV-E of the Social Security Act to permit private child welfare agencies that are state-licensed or state-approved to receive federal payments for short term training of agency staff. Many states have contracted with private child welfare agencies to provide child welfare services, yet current law prohibits states from using federal funds to provide training supports to their staff. Advocates are encouraging House members to co-sponsor the legislation.

## **Kinship Caregiver Support Act Introduced in Senate and House**

Senator Hillary Clinton (D-NY) reintroduced the Kinship Caregiver Support Act (S. 661) on February 16 with bi-partisan co-sponsorship. Congressmen Danny Davis (D-IL) and Tim Johnson (R-IL) introduced a very similar bill (H.R. 2188) in the House on May 7. Both bills would establish kinship navigator programs that would provide information and referral services to relative caregivers; provide a federally subsidized guardianship option to states in order that relative caregivers could receive financial support; and ensure notice to relatives when children enter foster care.

Advocates are encouraging additional members of Congress to co-sponsor the bills. Hearings on the legislation are not expected until the fall of 2007.

## **Medicaid Funding, Minimum Wage Increase Signed Into Law**

On May 25, President Bush signed H.R. 2206, the emergency supplemental spending bill, legislation that includes increases in domestic spending,

Medicaid funding and an increase in the minimum federal wage.

The new law impacts the Medicaid Program by continuing funding and delaying by one year anticipated cuts to the program. H.R. 2206 includes \$650 million to address the shortfalls in funding for the State Children's Health Insurance Program (SCHIP) in 14 states: Alaska, Georgia, Illinois, Iowa, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Jersey, North Carolina, Rhode Island, and Wisconsin. The law also delays for one year two regulations that would have cut Medicaid spending by \$5.6 billion over five years. The Bush Administration will continue to seek comments on their plan to end an intergovernmental transfer provision which would cut \$3.8 billion from the Medicaid program. Advocates argued that the cuts would have decreased or eliminated funding for facilities that provide health care to low-income people and children. The law does not implement a cut of \$1.8 billion for graduate medical education, a provision that would have impacted hospitals. The law extends through 2009 the Wisconsin SeniorCare program which assists seniors with prescription drugs.

The new law increases the minimum wage from \$5.15 to \$7.25 an hour over two years. The first increase to \$5.85 takes place in July 2007; a year later the wage is increased to \$6.55; and in 2009 the wage increases to \$7.25. The minimum wage increase is the first such increase in a decade. The Economic Policy Institute estimates that 13 million workers, 10 percent of the workforce, will be positively impacted by the minimum wage increase.

The new law also includes funding for Gulf Coast recovery, business tax cuts and funding for the war in Iraq.

## **House Likely to Vote on Second Chance Act**

The Second Chance Act of 2007 (H.R. 1593) amends the Omnibus Crime Control and Safe Streets Act of 1968. The goal of the legislation is to reduce recidivism, increase public safety, and help local

communities better address the needs of the growing population of prisoners returning to communities. The bill would authorize the Department of Justice to provide money to states for reentry programs, create a federal interagency task force to study and coordinate policy, commission research projects including a study of barriers in federal policy to successful reentry, and authorize grants directly to nonprofit organizations for reentry programs.

The bill focuses on four areas: jobs, housing, substance abuse and mental health treatment, and families. The bill specifically acknowledges the pioneering role that faith-based organizations have played in reentry services to people who are incarcerated, formerly incarcerated, and to their families. The acknowledgement and history of these services were important to the development of criteria for the nonprofit grants.

The Second Chance Act of 2007 passed the House Judiciary Committee on March 29 and enjoys broad bi-partisan co-sponsorship. House leadership has signaled that the bill will be brought to the House floor prior to the August recess. Advocates are encouraging the House to vote on the legislation as soon as possible.

Companion legislation is pending in the Senate. On March 29, the Second Chance Act of 2007 (S. 1060) was introduced by Senator Joseph Biden (D-DE) with bi-partisan co-sponsorship.

## **Schedule for LSA's Public Policy Conference Call Series**

LSA's 2007 public policy conference call series will be held on the third Thursday of the month at 2:00 pm Eastern time (1:00 pm Central time; 12:00 noon Mountain time; 11:00 am Pacific time). Please R.S.V.P. to Kathy Saile at [ksaile@lutheranservices.org](mailto:ksaile@lutheranservices.org) by 5:00pm Eastern time Wednesday prior to the call. The toll-free call-in information and presentation materials will be sent to registrants prior to the call.

**June 21, 2:00 pm Eastern time: Child Welfare Financing Reform.** Participate in a discussion with other LSA members regarding reforms needed to the federal child welfare financing system. The recommendations of the Pew Commission on Children in Foster Care and a concept paper being put forth by national child welfare advocates will be the basis for discussion. The discussion will be moderated by Kathy Saile, Associate Director of Public Policy and Susan Myers, Director of Lutheran Adoption Network.

**July 19, 2:00 pm Eastern time: Becoming an Effective (or More Effective) Public Policy Advocate.** This call will focus on strategies and models of grassroots public policy advocacy. Public policy advocates from Lutheran Social Service of Minnesota and Lutheran Child and Family Services of Illinois will present models they use in their social ministry organizations. The new "LSA Public Policy Advocacy Toolkit" will also be highlighted. This call will be presented by Kathy Saile, Associate Director of Public Policy; Lisa Carr, Director of Public Policy; and Andrew Morris, LSA Disability Network Public Policy Liaison.

**August 16, 2:00 pm Eastern time: Health Care Reform in the 110<sup>th</sup> Congress**

**September 20, 2:00 pm Eastern time: Outlook for FY 2008 Federal Spending**

**October 18, 2:00 pm Eastern time: Changes in Affordable Housing Policy at the Federal Level**

**November 15, 2:00 pm Eastern time: New Developments in Home and Community Based Services**

**December 20, 2:00 pm Eastern time: Advocating on the State and Federal Level**