

**LEGISLATIVE PROGRAM FOR THE 111<sup>TH</sup> CONGRESS**  
**PRIORITIES AND GENERAL POLICIES**

**PRIORITIES**

The following issue areas have been identified as SGA's top federal priorities for the 111<sup>th</sup> Congress. However, the nature of the political process requires continual review and possible modification of SGA member Governors' consensus views. Therefore, as circumstances in the political process change, these goals may be modified to more accurately reflect the Governors' response to federal political decisions and/or debate in these issue areas.

**1. LOW INCOME HOME ENERGY ASSISTANCE PROGRAM**

**GOAL:** To promote changes to the Low Income Home Energy Assistance Program (LIHEAP) funding formula that will result in an equitable distribution of funds to all states and territories annually, regardless of the amount of funding appropriated to the program.

**GOAL:** To advocate for the distribution of all available funding allocated to LIHEAP through the base formula grant so that Southern states and territories receive a more equitable portion of program funding to better meet their citizens' energy needs throughout the year.

**GOAL:** To promote transparency and equity in meeting energy needs via the LIHEAP contingency fund distributions so that Southern states and territories receive a reasonable share of these resources should Congress continue to provide annual LIHEAP contingency funding.

**BACKGROUND:** Congress created LIHEAP in 1981 to address soaring energy costs. Governed by a formula skewed to address home heating costs in the Northeast and Midwest,

Southern states and territories have never received an equitable share of funds. SGA plans to work to address this funding disparity in two ways.

First, SGA will continue to urge Congress to allocate all funds identified for the LIHEAP program to the base formula grant to the maximum extent possible, rather than to the contingency fund, so that total program funding is more likely to reach the threshold at which Southern states begin to benefit. To the extent that funding continues to be distributed via the contingency fund, SGA will support efforts to direct the maximum amount of those funds possible to our member states.

Second, SGA will work in support of an overhaul of the funding formula that would result in an equitable distribution of LIHEAP funding nationally, emphasizing energy assistance rather than favoring plans that would distribute funds according to heating versus cooling needs.

## **2. CLIMATE CHANGE AND ENERGY INDEPENDENCE**

**GOAL:** To identify consensus-based policy options regarding aspects of the Federal climate change and energy independence debate.

**GOAL:** To monitor federal legislation and administrative actions seeking to reduce greenhouse gas emissions and/or promote energy independence.

**BACKGROUND:** Under the leadership of 2008-09 Chairman Virginia Governor Tim Kaine, SGA will provide a forum for member governors to explore together federal, regional and state policy options for climate change and energy independence. The goal of this initiative is to start a dialogue between governors and their policy staff and energy advisors about the South's role in the Federal debate on climate change, opportunities to mitigate the impacts of climate change on a state level, and prospects for regional collaboration. Concurrent with governors' discussions, SGA will track all major pieces of climate change legislation and provide background materials on this issue for Governors' staff. SGA will review and update this priority goal based on the outcome of governors' discussions during this initiative.

**3. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**GOAL:** To promote changes to the Temporary Assistance for Needy Families (TANF) program's funding distribution formula that will result in an equitable distribution of funds to all states and territories based on each state or territory's proportion of poor children to the number of poor children nationally.

**GOAL:** To ensure, until such time as Congress fixes the inequities in the TANF program's formula, Congress continues to provide states that receive TANF Supplemental Grants with these resources, and that it expands the Supplemental Grants program to any state that currently receives below average TANF resources per poor child.

**GOAL:** To advocate for a reduction in the Maintenance of Effort (MOE) requirement that states must meet in order to access TANF contingency funds. The MOE requirement should be reduced from the current level of 100 percent match to no greater than 75 percent match.

**BACKGROUND:** TANF and the related TANF Supplementary Grants program are up for reauthorization in FY10. These programs give states and territories the resources they need to provide crucial services that make it possible for low-income parents to find and keep employment, support their families and contribute to society. Southern Governors encourage policies that help families achieve independence. This includes the continuation of strong work requirements for all families with an able-bodied adult and elimination of the separate participation requirement for two-parent families.

The current TANF funding formula bases state allocations on past spending on TANF populations under the former Aid to Families with Dependent Children program. Unfortunately, due to disproportionately high levels of poverty in Southern states and the resulting scarcity of state resources, many Southern states' welfare spending was historically lower than spending by states in other regions of the nation. This has resulted in Southern states receiving disproportionately low federal TANF resources. However, because all states are held to the same federal participation requirements, Southern states that are under funded vis-à-vis their need are placed at an extreme disadvantage in achieving required outcomes. Therefore, as part of reauthorization, Southern

governors support restructuring the TANF block grant allocation formula so that state allocations are based on each state's proportion of poor children to the number of poor children nationally.

In creating the TANF Supplemental Grants program, Congress recognized the flaws in the TANF block grant allocation formula that disadvantaged poor states. Southern governors support the continuation of the TANF Supplemental Grants program for states currently receiving supplemental grants, as well as the expansion of the Supplemental Grants program to states that have lower than average TANF resources per poor child, until such time as Congress is able to fix the flaws in the TANF block grant allocation formula and effectively merge the block grant and the Supplemental Grants programs. In the meantime, new Supplemental Grants program funding for states that have not participated in the program in the past should not come at the expense of states that currently receive TANF Supplemental Grants. Supplemental Grants for under funded states are critical to breaking past poverty patterns. Absent a change in the TANF funding formula Supplemental Grants are the only mechanism currently available to states to equalize the distribution of federal dollars. If Supplemental Grants are not made available to severely under funded states, existing inequalities will be exacerbated. Neither the state agencies that administer the TANF program, nor the families who receive the benefits are responsible for this low funding, but it is these families, the poorest of the poor, that suffer if resources are not provided.

Southern governors also support reform within the TANF Contingency Grant fund. Currently, to access TANF contingency funding, states must provide a 100 percent match in Maintenance of Effort (MOE) state funding. Especially in economic downturns, it is difficult for states to find the MOE resources required to access the Contingency Grant fund. Therefore, Congress should consider reducing the MOE requirement for the Contingency Grant fund to no more than 75 percent when it reauthorizes TANF.

#### **4. INSURANCE ISSUES**

**GOAL:** To monitor federal activities impacting the availability of reasonably priced property and casualty insurance from private markets to homeowners in Southern states and territories.

**BACKGROUND:** Throughout the Southern region, particularly in areas most regularly affected by natural disasters such as hurricanes, the private insurance markets have become increasingly unstable, limiting the availability of affordable homeowners insurance. The 2005 hurricane season proved that the US is currently ill-prepared to manage the financial aftermath of catastrophic events. Furthermore, without changes, states and territories are likely to continue to see insurance companies drop coverage in risk-prone areas or raise premiums beyond the reach of most households. SGA will monitor the progress of legislation that seeks to impact the issue of homeowners insurance in the Southern region.

**GOAL:** To ensure that any reforms to the National Flood Insurance Program (NFIP) meet the needs of Southern households.

**BACKGROUND:** Congress was unable to pass NFIP reauthorization legislation before the program's expiration date on September 30, 2008. Instead, Congress passed legislation extending NFIP under current law until March 2009. Issues of contention include whether to expand the program to include optional insurance against wind damage and whether to forgive the NFIP's debt, which currently totals more than \$17 billion.

SGA will monitor Congress' progress to ensure that households in Southern states and territories are positively impacted by any changes made during the reauthorization process. SGA will urge Congress to include a directive to improve flood plain mapping in any reforms to the NFIP.

### **GENERAL POLICIES**

In addition to the aforementioned legislative priorities, SGA will be mindful of a wide variety of other issues that may receive attention during the 111<sup>th</sup> Congress, and may modify its work program to include any of these issues in its priority goals should federal actions require. As a guiding principle, Southern Governors oppose any attempt by the federal government to limit states' flexibility to determine their own policies or to otherwise preempt state prerogatives.

### **Health, Human Services And Education**

The Southern region of the United States has been historically disadvantaged in the areas of health care, human services and education due to higher levels of poverty, lower educational attainment and a rural environment where service delivery is more difficult. These inequities have been exacerbated by federal funding formulas based on traditional state spending. In the case of territories, federal funding for programs addressing these issues is often capped, regardless of need, making it difficult to achieve federally established goals. In addition, significant population growth further disadvantages the region as resources in many programs are not adequate to keep pace with the rate of growth. Sufficient flexibility to govern and administer programs in ways that best meet the needs of states' citizens in an efficient and effective manner is critical to continued and improved success in program delivery. The exclusion of set-asides, unfunded mandates and turn-backs is encouraged by Southern Governors due to the negative impact these functions have on state administration and our ability to maintain the fiscal integrity that is required in the state-federal partnership.

**Wellness:** Obesity and other chronic health diseases are causing a public health crisis in America and particularly in the region of the South known as "The Stroke Belt." Southern Governors encourage Congress and the Administration to partner with states, territories and local entities to build better public awareness and strategies to deal with public health issues relating to disease and injury prevention. Federal funding to address public health issues should be updated to more accurately reflect population increases and current state needs to enable state and local health partners to serve the South's neediest residents. Additionally, the public education system in America has a new and emerging task before them to help confront obesity and related diseases in children. Funding should be provided to adequately inform America's youth about the dangers of obesity and physical inactivity.

**Health Informatics and Technology:** The development of a seamless e-health records communications system, including electronic medical records, electronic health records, personal health records, payor-based health records and e-prescribing, would improve the effectiveness and efficiency of health care and address health disparities and economic development in rural areas. Electronic records would also allow for timely sharing of critical medical information, provide consumers health information tools to help them manage their personal health, and address

information sharing inadequacy while also reducing the rate of medical errors. A stable and equitable investment should be made in the South in technologies that support the changing world of diagnostic and clinical care while allowing states maximum autonomy in development and oversight. The economy of our states and territories, as well as the nation as a whole, depends on a healthy working population and efficient health care system as we compete on a global basis.

**Foster Care:** The Title IV-E Foster Care program helps states and territories provide safe and stable out of home care to at-risk children until they are able to safely return home or are placed with adoptive families. The program is funded by a combination of state and federal resources. Unfortunately, eligibility for Federal IV-E funding is tied to eligibility requirements set by states in 1996 for the former Aid to Families with Dependent Children (AFDC) program. Most Southern states set their AFDC eligibility standards well below the national average. This has resulted in Southern states receiving less federal child welfare resources than states in other regions receive. The cost of the IV-E program should be shared between the states and the Federal government in an equitable manner so that neither assumes too much of the cost burden.

Southern Governors support reform of child welfare funding to eliminate restrictions that require using Title IV-E foster care funds only on out-of-home care. States and territories should have the option to use Title IV-E funds on prevention, intervention, in-home services, reunification services and services that promote permanency, in addition to expenses related to out-of-home care. Florida's child welfare demonstration waiver can serve as a model for how increased flexibility can promote safe reductions in the number of children in out-of-home care.

**Ryan White HIV/AIDS Treatment Act:** Southern Governors support the reauthorization of the Ryan White HIV/AIDS Treatment Act, which is currently set to expire at the end of FY09. Four out of ten Americans living with AIDS reside in the South, yet prevention and treatment of HIV/AIDS is complicated in the region by the high prevalence of HIV-infected individuals living in rural areas. As part of reauthorization, Congress should keep the distribution formula that has been in place since the last reauthorization of the program in FY06, rather than reverting to the distribution formula previously in use. The old formula targeted the portion of Ryan White funding that goes to cities (Part A funding) entirely to large metropolitan areas with a population of at least 500,000. In response to the growing need for these resources in smaller cities, in FY06,

Congress changed the definition of Eligible Metropolitan Areas to include cities with a population of at least 50,000. For the first time, small cities in the South with emerging HIV/AIDS epidemics had access to these resources. It is critical that these cities continue to receive Ryan White funding when Congress reauthorizes the program. The 2006 reauthorization also changed the allocation of Ryan White Part B funding to states and territories to consider not only the proportion of people living with AIDS in each state, but also the proportion of people infected with HIV. According to the Health Resources Services Administration, the current distribution formula for both Part A and Part B funds directs money to cities and states with the highest number of people who are HIV-positive and encourages outreach and testing so that people with AIDS have earlier access to treatment.

### **Energy, Natural Resources And Environment**

The South is home to the most significant reserve of natural and energy resources in the contiguous United States. While these ample resources benefit the region and our nation, they require considerable investment and management to maintain. Without adequate investments and proper management the national and global economy will suffer. Additionally, the health and security of our nations' citizens requires the careful and adequate investment in and governance of these important resources.

Southern Governors are committed to reducing the region's dependence on foreign sources of oil, gas and refined petroleum products by increasing the energy supply using existing domestic energy sources. Additionally, the use of new technologies such as coal gasification, coal liquification and an increased emphasis on developing bio-fuels, wind and solar energy reduce both our dependence on foreign energy supplies and the environmental impact of our energy consumption.

Nuclear energy is a key component of the nation's energy strategy, with the U.S. generating 20 percent of its electricity from nuclear power. In the South, nuclear power makes up 18.2 percent of total electricity generation, and nuclear power plants located in the South generate nearly half of the nation's nuclear energy. The Nuclear Regulatory Commission (NRC) has approved two early site permits for 2009, one of which is in the Southern region, and is currently reviewing construction requests from thirteen Southern-based applicants to build a total of twenty-two new

commercial sites. Moreover, the NRC anticipates construction applications for an additional eleven new plants to be located in the South by the end of 2009.

Nonetheless, Governors throughout the South continue to struggle with how best to address the controversial issue of how and where to dispose of the waste produced by commercial nuclear power plants, and how to safely transport it. Already, approximately half of the total national inventory of nuclear waste is being stored in our region in locations not intended for long-term storage.

Recognizing the need for a more permanent storage solution, the 1982 Nuclear Waste Policy Act required the Department of Energy to site, construct and operate a geologic repository for spent nuclear fuel and high-level radioactive waste from commercial and national defense-related activities. The Act also established the Nuclear Waste Fund to provide funding for site studies, construction and operation of a repository, into which electricity consumers have paid more than \$20 billion, of which Southern consumers have paid \$6.7 billion. In 2002, Yucca Mountain in Nevada was designated by Congress as the site to construct the repository.

The region's Governors are concerned that the ongoing debate over the Yucca Mountain site may result in the inappropriate use of storage sites in the South as long-term repositories. The region's Governors oppose this as a solution to the ongoing debate over the Yucca Mountain site. Instead, we encourage Congress and the Administration to work together to begin using funds collected by the Nuclear Waste Fund for the purposes specified under these laws. Furthermore, Southern Governors encourage programs and initiatives that will facilitate initiation of spent fuel reprocessing in the United States. By reprocessing the spent fuel, additional nuclear materials for electricity generation can be obtained, and the volume of nuclear waste for ultimate disposal in a repository like Yucca Mountain is substantially reduced. Thus, this increases the total energy from the original nuclear materials, and greatly extends the life of Yucca Mountain as a repository for the final spent fuel.

Southern Governors encourage technologies to utilize coal more cleanly and efficiently, including continued support for the Clean Coal Technology Program, in partnership with the private sector, as well as research and development in clean coal usage. Southern Governors support federal

initiatives that provide stability to the domestic coal market designed to improve capital investment and training for the skilled workforce necessary for modern mining methods.

Southern Governors support equitable distribution of incentives for the next generation of renewable energy sources. Renewable energy programs have long focused on corn-based production. As technology creates additional opportunities for renewable energy resources from bio-mass and other domestic feedstocks, production incentives for ethanol should be open to those commodities as well. Opening the program to additional commodities would ensure continued growth of the renewable energy industry in the Southern states and territories and a more equitable regional distribution of Federal incentives to farmers. Southern Governors also support other forms of renewable energy such as wind, solar, Ocean Thermal Energy Conversion, and biomass technologies.

Southern Governors will advocate for equitable investments in the region's natural resources management, energy supply, and reliability that reflect the region's role as a primary trade and economic development catalyst for the nation, while remaining mindful of conservation and environmental concerns. Southern Governors also will continue to pay close attention to efforts to make regional air quality improvements and work together to address continuing regional air quality issues.

The South faces increasing water challenges as its population continues to grow. Specifically many areas lack adequate storage for water, both natural and man-made. Southern Governors continue to search for integrated solutions to meet the rapidly increasing demand, while also emphasizing conservation measures. Southern states are working to support sensible water management policies.

### **Economic Development**

The economy of the South has undergone a dramatic shift in the past two decades away from traditional industries such as textiles and tobacco production. Service-oriented jobs, such as those offered by the tourism industry, and more highly skilled technology jobs now lead the way to economic development in the region. Over the past few years, there has been increasing interest and investment in building the industrial capacity for a Southern aerospace corridor, with large and

medium-sized aerospace companies locating to and expanding operations in the Southern region. Southern Governors support the growth of this industry to enhance economic development in the region and as a source of high-paying, highly skilled technology jobs for Southern residents.

Southern states and territories continue to work to increase educational achievement so that the workforce will have the skills needed to fill the next generation of jobs in the region. Southern Governors are working towards better alignment of workforce, education, and economic development programs so that the region's workforce will have the training opportunities necessary to build the skill sets that will match the needs of the business community. Challenges to addressing transportation, technology, and infrastructure needs to boost economic development in the region must be addressed.

State-federal partnerships focused on addressing economic development priorities must adopt maximum flexibility in order to ensure that such efforts are efficient, effective and reflect regional needs and differences. To address the economic development priorities, federal programs should embrace states' efforts to develop innovative solutions and target resource investment to specific areas of the South based on identified needs. SGA will continue to monitor federal legislation affecting the ability of states and public-private partnerships to achieve set goals and develop new initiatives to advance markets.

Southern Governors will explore federal programs and other federal/state partnerships that will support the South's economic development goals and work to achieve equity in federal funding formulas for a variety of federal programs that are often outdated, and/or are skewed to the disadvantage of Southern states and territories.

The well-being of America's rural population and communities depends on many things, including the availability of good-paying jobs, as well as equitable access to critical services such as education, health care, affordable energy and transportation. Governors are committed to working toward the development of a comprehensive, seamless system of education, training and employment services for workers, particularly in industries that are growing in the South, fully engaging the business community as partners. Yet states continue to cope with resource constraints, reinforcing the importance of continued federal investment in programs to train the

modern workforce and in job-retraining programs aimed at moving displaced workers to available jobs and industries. Furthermore, flexibility of federal funds and program requirements will allow Governors to continue their efforts to develop innovative workforce systems that respond to customer needs, reduce fragmentation, promote accountability, deliver services efficiently and engage the business community.

**Emergency Communications Interoperability and Spectrum:** Southern Governors believe that it is crucial that first responders have the means to communicate effectively in times of crisis. As such, SGA has advocated for the development of an interoperable public safety communications network. The Federal Communications Commission (FCC) has recently taken significant steps towards this goal by revising the band plan for commercial services in the 700 MHz Band to better meet the needs of the public safety community. As part of this plan, the FCC designated a portion of this spectrum block to be licensed on a nationwide basis and auctioned to a commercial licensee that will partner with the first responder community in a public safety broadband trust for the creation of an interoperable emergency communications network. In March 2008, the auction came to an end, raising \$19.6 billion for the United States Treasury. The fate of the national interoperable emergency communications network, however, remains an open question. There was not sufficient interest in the D block that was to be shared by the public safety community and a commercial entity and the license generated only one bid during the auction, which fell short of the minimum \$1.3 billion reserve price. The FCC is now considering a new plan to auction off the D-block portion for the public safety network that could provide for regional licenses. SGA will continue to monitor the outcome of the auction and the subsequent development of this network to ensure that it meets the needs of first responders in Southern states and territories.

**Broadband Infrastructure:** The creation and development of an extensive advanced networking infrastructure that supports broadband technology deployment and adoption is critical to creating opportunities for Southern communities in the areas of education, research, health, homeland security, agriculture, tourism, government and economic development. Southern Governors will pursue federal programs and resources that encourage state efforts to identify and map the gaps in broadband access, and promote the use of public-private partnerships to develop effective strategies for technology development, use and literacy particularly in rural areas. SGA will continue to focus its regional efforts on ensuring the compatibility of networking technologies of

the higher education community, state/territorial government, homeland security organizations, health and regional institutions.

**Water and Sewer Infrastructure:** Drinking water and wastewater infrastructure systems are critical to the ongoing growth in the South. Investment in these systems pays substantial dividends to the environment, public health and the economy. Congress and the Administration should work with Southern states and territories to help them meet their unprecedented level of drinking water and wastewater infrastructure needs.

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