



CRS Report for Congress

FY2008 SCHIP Allotments

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Summary

The President vetoed legislation (H.R. 976) that would have provided new federal funding for the State Children's Health Insurance Program (SCHIP) in FY2008 through FY2012. On September 29, 2007, the President signed a continuing resolution that contains a temporary FY2008 appropriation for allotments for SCHIP (H.J.Res. 52, P.L. 110-92). Under this extension, SCHIP is appropriated the same amount for FY2008 that was appropriated for FY2007 (\$5 billion), with the current-law formula used to allot these funds among the states and territories. The current continuing resolution makes the FY2008 allotments available only through November 16, 2007. The FY2008 allotments can be available past November 16 only if new legislation is enacted. Based on states' projections, if the current FY2008 allotments were available through the end of FY2008, 21 states would exhaust all available federal SCHIP funds during the fiscal year, with the first states experiencing shortfalls in March 2008. This report provides projections of those states' shortfalls as well as projections of states' FY2008 allotments as would occur under the vetoed H.R. 976 and new SCHIP legislation approved by the House, H.R. 3963, which is identical to the vetoed H.R. 976 in terms of the appropriations and formulas for SCHIP allotments. This report will be updated as necessary.

A continuing resolution (H.J.Res. 52, P.L. 110-92, referred to hereinafter as the CR) appropriated \$5 billion for federal SCHIP allotments in FY2008. The CR made no changes to the statutory formula for determining states' allotments. The amount of states' FY2008 federal SCHIP allotments is shown in Column F of **Table 1**. The CR makes the FY2008 allotments available only through November 16, 2007.

In FY2008, states may also use unspent FY2006 and FY2007 allotments, with states' projected available balances shown in Column B of **Table 1**. In addition, certain states will receive funds from the redistribution of other states' unspent FY2005 allotments, projected to total \$108.8 million. The CR stipulates that the unspent FY2005 funds be redistributed to shortfall states (that is, states that will exhaust all other federal SCHIP funds) on a monthly basis in the order in which states experience shortfalls. States' projected receipt of redistributed FY2005 funds is shown in Column C of **Table 1**.

Column E of **Table 1** shows that, in the absence of an FY2008 allotment, approximately \$4.5 billion would have been required to ensure no state faced a shortfall. Fourteen states and the District of Columbia (shown as having no amounts in Column E) are projected to have enough prior-year funding that the entirety of their projected FY2008 federal SCHIP spending could be covered without an FY2008 allotment. As shown in Column G of Table 1, the CR's \$5 billion for FY2008 as allotted, even if available for the entirety of FY2008, is projected to be insufficient for 21 states to cover their projected SCHIP spending. The current projected shortfalls for FY2008 (assuming the FY2008 allotments are available for the entire year) total \$1.6 billion.¹ Column H of Table 1 shows estimates of the month in which states would face shortfalls if the FY2008 allotment were available for the entire year, with the earliest states likely to experience shortfalls beginning in March 2008.

Projected FY2008 Allotments Under H.R. 976 and H.R. 3963

H.R. 976, as vetoed by the President, and H.R. 3963, as recently approved by the House, would appropriate \$9.125 billion for the states and territories in FY2008. As shown in **Table 2**, the FY2008 allotment for a given state under both bills would be 110% of the largest of four numbers: (1) the state's FY2007 federal SCHIP *spending* multiplied by the annual adjustment;² (2) the state's FY2007 federal SCHIP *allotment* multiplied by the annual adjustment; (3) for states that receive extra federal SCHIP funds in FY2007 because of their shortfalls, or states that were projected to be in shortfall based on their November 2006 submission of projected expenditures, the state's FY2007 projected federal spending as of November 2006 (or as of May 2006, for North Carolina) multiplied by the annual adjustment; and (4) the state's FY2008 federal SCHIP projected spending as of August 2007 and certified by the state not later than September 30, 2007.³

With the projected FY2008 allotments that would occur under both bills (shown in Column F of **Table 2**), there would be no federal SCHIP shortfalls in FY2008. Column G of Table 2 shows how much larger the FY2008 allotments would be under both bills compared to the current law FY2008 allotments to states.

¹ Legislation has been introduced (H.R. 3584, Mr. Barton; S. 2086, Sen. Lott) that would, among other things, provide \$5 billion for FY2008 allotments as under current law, but with an additional \$1.5 billion appropriation for shortfalls. The legislation also provides \$2.5 billion for the first six months of FY2009, to be allotted to states based on the current law formula, with \$1.1 billion provided for shortfalls in that period.

² The annual adjustment under H.R. 976 would be the product of (1) the per capita health care growth factor, and (2) the child population growth factor. The per capita health care growth factor would be 1 plus the percentage increase in the projected per capita amount of National Health Expenditures over the prior year's. The child population growth factor would be 1.01 plus the percentage increase (if any) in the population of children under 19 years of age in the state, based on the most recent published estimates from the Census Bureau.

³ Under H.R. 976, if the state allotments as calculated exceed the available national allotment, states' allotments would be reduced proportionally. Based on the projections in this report, the available national allotments appear to be adequate to cover projected FY2008 allotments under H.R. 976. For more information about the legislation, see CRS Report RL34129, *Medicaid and SCHIP Provisions in H.R. 3162, S. 1893/H.R. 976, and Agreement*, by Evelyne P. Baumrucker et al., available at [<http://www.congress.gov/erp/rl/pdf/RL34129.pdf>].

**Table 1. FY2008 SCHIP Allotments Under Current Law and Projected Federal SCHIP Financing
If Allotments Were Available Through the End of FY2008, by State**
(dollars in millions)

State	Available unspent FY2006 and FY2007 balances	Redistribution of other states' unspent FY2005 allotments	States' own projected FY2008 federal SCHIP spending	Additional amounts necessary to eliminate shortfalls	States' FY2008 federal SCHIP allotments	Projected FY2008 shortfalls (assuming FY2008 allotment available for entire year)	Projected FY2008 shortfall month (assuming FY2008 allotment available for entire year)
A	B	C	D	E = D - C - B	F	G = E - F	H
Alabama	\$44.8		\$112.5	\$67.8	\$72.3		
Alaska		\$0.05	\$23.0	\$23.0	\$11.2	\$11.8	March 2008
Arizona	\$35.5		\$138.4	\$102.9	\$143.0		
Arkansas	\$53.0		\$117.2	\$64.2	\$47.5	\$16.6	August 2008
California	\$94.6		\$1,226.3	\$1,131.7	\$789.2	\$342.5	June 2008
Colorado	\$102.4		\$70.7		\$71.5		
Connecticut	\$74.4		\$35.7		\$38.8		
Delaware	\$17.3		\$10.2		\$12.8		
DC	\$18.0		\$9.6		\$12.1		
Florida	\$448.6		\$259.7		\$301.7		
Georgia		\$2.6	\$370.4	\$367.8	\$167.9	\$199.9	March 2008
Hawaii	\$13.9		\$19.9	\$6.1	\$15.2		
Idaho	\$36.8		\$31.1		\$23.8		
Illinois		\$3.6	\$465.2	\$461.5	\$208.3	\$253.2	March 2008
Indiana	\$118.4		\$98.7		\$97.4		
Iowa		\$0.2	\$69.2	\$69.0	\$33.2	\$35.8	March 2008
Kansas	\$18.4		\$51.4	\$33.0	\$36.6		
Kentucky	\$65.3		\$83.0	\$17.8	\$68.2		
Louisiana	\$43.0		\$131.0	\$88.0	\$84.1	\$3.9	September 2008
Maine		\$0.2	\$32.9	\$32.8	\$15.4	\$17.3	March 2008
Maryland		\$1.3	\$162.4	\$161.1	\$72.4	\$88.7	March 2008
Massachusetts		\$44.4	\$275.1	\$230.7	\$73.3	\$157.3	March 2008
Michigan	\$36.1		\$182.5	\$146.3	\$147.1		
Minnesota			\$90.3	\$90.3	\$48.6	\$41.6	April 2008
Mississippi			\$116.8	\$116.8	\$61.0	\$55.8	April 2008
Missouri	\$4.4		\$126.2	\$121.8	\$77.6	\$44.2	May 2008

State	Available unspent FY2006 and FY2007 balances	Redistribution of other states' unspent FY2005 allotments	States' own projected FY2008 federal SCHIP spending	Additional amounts necessary to eliminate shortfalls	States' FY2008 federal SCHIP allotments	Projected FY2008 shortfalls (assuming FY2008 allotment available for entire year)	Projected FY2008 shortfall month (assuming FY2008 allotment available for entire year)
A	B	C	D	E = D - C - B	F	G = E - F	H
Montana	\$14.0		\$24.3	\$10.3	\$15.9		
Nebraska			\$35.5	\$35.5	\$21.4	\$14.1	May 2008
Nevada	\$89.6		\$37.9		\$51.1		
New Hampshire	\$14.9		\$13.3		\$10.7		
New Jersey		\$37.5	\$334.0	\$296.6	\$105.5	\$191.1	March 2008
New Mexico	\$78.2		\$106.0	\$27.7	\$52.0		
New York	\$437.3		\$412.1		\$328.7		
North Carolina	\$9.0		\$194.7	\$185.6	\$136.1	\$49.5	June 2008
North Dakota	\$0.7		\$13.5	\$12.8	\$7.9	\$4.9	May 2008
Ohio	\$59.0		\$228.8	\$169.8	\$157.9	\$11.9	September 2008
Oklahoma	\$32.0		\$124.4	\$92.4	\$70.8	\$21.5	July 2008
Oregon	\$61.0		\$105.2	\$44.1	\$60.1		
Pennsylvania	\$154.4		\$230.1	\$75.7	\$168.8		
Rhode Island		\$19.0	\$77.0	\$58.0	\$14.0	\$44.1	March 2008
South Carolina	\$117.2		\$120.9	\$3.6	\$71.0		
South Dakota	\$2.8		\$14.0	\$11.2	\$10.5	\$0.7	September 2008
Tennessee	\$177.9		\$66.4		\$99.8		
Texas	\$1,012.7		\$800.3		\$556.2		
Utah	\$34.8		\$56.1	\$21.3	\$41.3		
Vermont	\$9.8		\$4.4		\$5.6		
Virginia	\$65.9		\$124.6	\$58.7	\$90.3		
Washington	\$144.6		\$30.1		\$79.9		
West Virginia	\$23.3		\$41.3	\$18.1	\$25.7		
Wisconsin	\$6.5		\$73.7	\$67.2	\$69.6		
Wyoming	\$9.8		\$9.1		\$6.4		
State total	\$3,780.3	\$108.8	\$7,586.8	\$4,521.0	\$4,987.5	\$1,606.5	

Source: CRS analysis of data provided by the Centers for Medicare and Medicaid Services (CMS).

Note: The current continuing resolution (H.J.Res. 52, P.L. 110-92) makes the FY2008 allotments available only through November 16, 2007. However, states' available FY2005, FY2006 and FY2007 funds would remain available after November 16, even without additional legislation.

**Table 2. Projected FY2008 Allotments That Would Occur Under H.R. 976 and H.R. 3963,
With Comparison to FY2008 SCHIP Allotments Under Current Law, by State**

(dollars in millions)

State	(1) Based on FY2007 federal SCHIP spending	(2) Based on FY2007 federal SCHIP allotment	(3) Based on FY2007 shortfall states' projections provided in May or November 2006	(4) Based on states' projections of FY2008 federal SCHIP spending as of 9/30/07	Projected FY2008 allotments under H.R. 976 and H.R. 3963 (110% of the largest of the preceding numbers)	FY2008 projected allotments under H.R. 976 and H.R. 3963: Percentage difference vis-a-vis current-law FY2008 allotments
A	B	C	D	E	F	G = (F in Table 2 ÷ F in Table 1) - 1
Alabama	\$102.9	\$79.4		\$112.5	\$123.8	71% larger
Alaska	\$19.1	\$12.4	\$32.4	\$23.0	\$35.6	218% larger
Arizona	\$125.9	\$139.7		\$138.4	\$153.7	7% larger
Arkansas	\$77.8	\$53.0		\$117.2	\$128.9	171% larger
California	\$1,269.3	\$849.0		\$1,226.3	\$1,396.2	77% larger
Colorado	\$68.1	\$77.1		\$70.7	\$84.9	19% larger
Connecticut	\$25.3	\$42.5		\$35.7	\$46.8	21% larger
Delaware	\$10.0	\$11.9		\$10.2	\$13.1	3% larger
DC	\$10.2	\$12.5		\$9.6	\$13.8	14% larger
Florida	\$288.4	\$320.8		\$259.7	\$352.9	17% larger
Georgia	\$361.5	\$179.9	\$338.5	\$370.4	\$407.5	143% larger
Hawaii	\$20.3	\$16.5		\$19.9	\$22.3	46% larger
Idaho	\$29.6	\$26.3		\$31.1	\$34.2	44% larger
Illinois	\$455.4	\$224.5	\$619.0	\$465.2	\$680.9	227% larger
Indiana	\$95.4	\$100.2		\$98.7	\$110.3	13% larger
Iowa	\$58.8	\$38.7	\$60.7	\$69.2	\$76.1	129% larger
Kansas	\$49.4	\$39.1		\$51.4	\$56.6	54% larger
Kentucky	\$84.5	\$75.2		\$83.0	\$92.9	36% larger
Louisiana	\$121.7	\$95.8		\$131.0	\$144.1	71% larger
Maine	\$36.2	\$16.1	\$26.6	\$32.9	\$39.8	158% larger
Maryland	\$159.2	\$72.0	\$162.5	\$162.4	\$178.8	147% larger
Massachusetts	\$245.1	\$78.2	\$229.5	\$275.1	\$302.6	313% larger
Michigan	\$191.3	\$159.5		\$182.5	\$210.4	43% larger
Minnesota	\$74.3	\$52.2	\$84.5	\$90.3	\$99.3	104% larger
Mississippi	\$122.3	\$64.7	\$128.9	\$116.8	\$141.8	133% larger
Missouri	\$97.5	\$77.3	\$105.7	\$126.2	\$138.9	79% larger

State	(1) Based on FY2007 federal SCHIP spending	(2) Based on FY2007 federal SCHIP allotment	(3) Based on FY2007 shortfall states' projections provided in May or November 2006	(4) Based on states' projections of FY2008 federal SCHIP spending as of 9/30/07	Projected FY2008 allotments under H.R. 976 and H.R. 3963 (110% of the largest of the preceding numbers)	FY2008 projected allotments under H.R. 976 and H.R. 3963: Percentage difference vis-a-vis current-law FY2008 allotments
A	B	C	D	E	F	G = (F in Table 2 ÷ F in Table 1) - 1
Montana	\$19.5	\$16.8		\$24.3	\$26.7	68% larger
Nebraska	\$36.2	\$23.5	\$36.1	\$35.5	\$39.8	86% larger
Nevada	\$34.1	\$57.1		\$37.9	\$62.8	23% larger
New Hampshire	\$11.8	\$11.5		\$13.3	\$14.7	38% larger
New Jersey	\$306.6	\$112.6	\$306.6	\$334.0	\$367.4	248% larger
New Mexico	\$49.4	\$55.6		\$106.0	\$116.5	124% larger
New York	\$355.4	\$362.6		\$412.1	\$453.3	38% larger
North Carolina	\$187.9	\$147.5	\$287.5	\$194.7	\$316.3	132% larger
North Dakota	\$12.4	\$8.2		\$13.5	\$14.8	88% larger
Ohio	\$203.0	\$168.5		\$228.8	\$251.7	59% larger
Oklahoma	\$105.4	\$76.0		\$124.4	\$136.8	93% larger
Oregon	\$74.8	\$61.1		\$105.2	\$115.7	92% larger
Pennsylvania	\$196.8	\$184.8		\$230.1	\$253.1	50% larger
Rhode Island	\$81.1	\$14.9	\$75.1	\$77.0	\$89.2	539% larger
South Carolina	\$39.3	\$75.7		\$120.9	\$133.0	87% larger
South Dakota	\$13.8	\$11.1		\$14.0	\$15.3	46% larger
Tennessee	\$27.5	\$104.9		\$66.4	\$115.4	16% larger
Texas	\$405.6	\$606.6		\$800.3	\$880.3	58% larger
Utah	\$48.2	\$43.9		\$56.1	\$61.7	49% larger
Vermont	\$3.8	\$6.1		\$4.4	\$6.7	19% larger
Virginia	\$118.8	\$101.4		\$124.6	\$137.1	52% larger
Washington	\$28.7	\$85.6		\$30.1	\$94.2	18% larger
West Virginia	\$37.9	\$29.4		\$41.3	\$45.4	77% larger
Wisconsin	\$96.0	\$74.4	\$106.0	\$73.7	\$116.6	68% larger
Wyoming	\$8.2	\$7.4		\$9.1	\$10.0	57% larger
State total	\$6,701.5	\$5,362.0	\$2,599.7	\$7,586.8	\$8,960.4	80% larger

Source: CRS analysis of H.R. 976 and of data provided by the Centers for Medicare and Medicaid Services (CMS).

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Notes: Shaded cells denote which of the four values is the largest. For more information about H.R. 976, see CRS Report RL34129, *Medicaid and SCHIP Provisions in H.R. 3162, S. 1893/H.R. 976, and Agreement*, by Evelyne P. Baumrucker et al., available at [<http://www.congress.gov/erp/rl/pdf/RL34129.pdf>].