



COALITION ON HUMAN NEEDS

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Appropriations Bills Advance in House and Senate...Brick Wall Ahead

House and Senate appropriators have moved many of their bills forward for the fiscal year beginning next October. Out of the dozen bills that need action, the full House has passed six bills; another four have been approved in the full Appropriations Committee. In the Senate, while nothing has gotten to a floor vote, nine of the bills have gotten full committee approval. Unlike previous years, the usually highly controversial Labor-HHS-Education bill has been approved by the full Appropriations Committees of both House and Senate.

What will happen next is not yet known, but what will **not** happen is pretty clear. The bills, passing with partisan votes in Committee, will not be able to pass on the Senate floor. The President has consistently

promised to veto any bills that do not exceed sequestration levels, and Democrats are not allowing bills to move forward on the floor. In the Senate, Democrats refused to allow the Defense Appropriations bill to proceed on June 18. The [vote](#) was 50-45, but 60 votes were needed. Only one Democrat voted to advance the bill (Senator Donnelly (D-IN)); all Republicans who were present voted in favor (Senate Majority Leader Mitch McConnell ended up changing his vote, which allows him to bring the bill up for a vote again at a later time if he chooses. Pressure to pass the Defense spending bill was intense. By withstanding it, Democrats have stuck to their stated goal of replacing the current bills with an agreement to go beyond sequester levels.

Two bills providing funding for many human needs programs illustrate the harm of staying under the rigid sequester caps. See the coverage of the Labor-HHS-Education and Transportation-HUD bills below.

Low Funding Approved for Labor-HHS-Education in House and Senate Appropriations Committees

Both the House and Senate Appropriations Committees have passed their FY 2016 spending bills for the Departments of Labor, Health and Human Services and Education. The bills provide \$153 billion in discretionary (annually appropriated) spending, \$3.6 billion below the FY 2015 level and at least \$14.5 billion below the amount proposed by President Obama. The Obama budget rejected the sequestration caps and so was able to include modest increases for priorities like preschool education, and was more able to fund job training and other programs consistent with legislation recently passed by Congress. Both the House and Senate bills fail these tests. Because the Senate committee chose to increase funding for the National Institutes of Health, the Child Care and Development Block Grant and a few other areas, other programs had to be cut more deeply in order to stay within the rigid cap. While the Senate bill is \$3.6 billion below this year's funding, programs are cut by \$6 billion overall.

Throughout the three departments covered by the bill, Senate funding is frequently lower than this year's spending, and cuts more deeply than the House in many key program areas. In the sample of programs below, only in the programs highlighted in yellow did the Senate fund at higher levels than the House.

Sampling of Labor-HHS-Education Programs as Passed by Appropriations Committees

	FY 2015	President's FY16 Budget	House Committee FY16	Senate Committee FY16
Adult Job Training	\$777m	\$815.6m	\$777m	\$737m
Youth Training	\$832m	\$873m	\$831m	\$790m
Employment Service	\$684m	\$1,084m	\$684m	\$654m
Maternal and Child Health	\$852m	\$852m	\$843m	\$828m
Teen Pregnancy Prevention	\$108m	\$112m	\$20m	\$20m

	FY 2015	President's FY16 Budget	House Committee FY16	Senate Committee FY16
Substance Abuse/Mental Health, Total	\$3,620m	\$3,664m	\$3,643m	\$3,460m
Refugee and Entrant Assistance	\$1,560m	\$1,625m	\$1,429m	\$1,405m
Nutrition for Seniors	\$815m	\$875m	\$820m	\$815m
Head Start	\$8,598m	\$10,118m	\$8,790m	\$8,698m
Child Care Block Grant	\$2,435m	\$2,805m	\$2,435m	\$2,585m
Abandoned Infants Assistance	\$11m	\$11m	\$11m	\$0
Community Services Block Grant + IDA's, related services	\$729m	\$693m	\$729m	\$686m
Developmental Disabilities Programs	\$162m	\$168m	\$162m	\$154m
Title I K-12 Education (Low-Income)	\$14,410m	\$15,410m	\$14,410m	\$14,560m
IDEA Special Education total	\$12,522m	\$12,822m	\$13,024m	\$12,637m
Preschool Development Grants	\$250m	\$750m	\$0	\$0
Indian Education	\$124m	\$174m	\$144m	\$124m
English Language Acquisition	\$737m	\$773m	\$737m	\$712m
Work Study	\$990m	\$990m	\$990m	\$950m

Even in some of the programs where there is at least some increase over current spending, funding is not enough to meet current needs. The small increase in Head Start, for example, will not cover a cost of living increase for Head Start centers. If that shortfall were to be absorbed by reducing enrollment, it would result in more than 12,000 children being denied Head Start, according to the [Senate minority appropriations](#) staff. The President's budget would allow all Head Start programs to be full-day and year-round, which is not possible at the House and Senate funding levels. In addition, both the House and Senate committees reject the President's proposed \$750 million for Preschool Development grants. Current funding provided grants in 18 states; if allowed to continue, these would serve 177,000 four year-olds. The Senate cuts job training \$331 million below this year's funding for Workforce Innovation

and Opportunity Act programs, estimated to deny services to 1.4 million youth, dislocated workers and veterans. Both the House and Senate slash teen pregnancy prevention. The Senate even cuts college work study below this year's levels.

There are many policy riders in both the House and Senate bills that are vigorously opposed by health care and education advocates and organized labor, among others. There is language to prevent HHS from spending money to support the Affordable Care Act's state marketplaces. (See article about the ACA elsewhere in this issue.) There are provisions to limit actions by the National Labor Relations Board related to union elections or certain labor standards. There is also language to keep the Department of Education from setting standards around employment outcomes for for-profit education/training institutions.

Senator Patty Murray (D-WA), senior Democrat on the Labor-HHS-Ed Appropriations Subcommittee, offered an [amendment](#) to increase funding levels throughout the bill beyond the sequester cap. The increased funding was defeated. Democrats have called for a negotiation to exceed the caps, but although some Republican appropriators have expressed support for increased funding if the caps were to be lifted, leadership is not yet willing to talk.

Transportation-HUD Approved by Senate Appropriations Committee and by the Full House: Too Few Rental Vouchers

When sequestration cuts were imposed in FY 2013, rental housing vouchers were particularly hard hit. According to the Center on Budget and Policy Priorities, there were [85,000 fewer families using vouchers](#) in December 2014 than two years before. This year, about 18,000 vouchers have been restored, and the Obama budget had proposed enough funding to restore the remaining 67,000. The Transportation-HUD spending bill passed in Senate Appropriations on June 25 does add some funding for vouchers, specifying 10,000 new vouchers for homeless veterans and 2,500 vouchers to prevent families with children from being split up for lack of housing, as well as \$40 million in new funding for homeless youth. But there is not enough funding to restore the 67,000 vouchers still lost because of sequestration in FY 2013. House-passed funding is somewhat lower than the Senate bill.

The President's FY 2016 budget is able to increase funding because it rejects reimposing the sequester cuts. The Senate and House bills again show the inadequacy of funding under the restrictive cap. The Senate bill is \$1.9 billion below this year's funding. The Public Housing Capital Fund drops to \$1.74 billion in the Senate bill, down from \$1.875 billion this year. Although a little higher than the House appropriation, the Senate's 7 percent cut would worsen the already extreme \$26 billion backlog in needed repairs. The HOME low-income housing construction program is slashed to only \$66 million (funding is \$900 million this year). The House provides \$767 million in appropriations and adds more HOME funding by shifting money from Fannie Mae/Freddie Mac income that had been intended to fund the National Housing Trust Fund. The Trust Fund, a top priority for low-income housing advocates, will focus on increasing the housing supply for the lowest-income households. The Senate bill does not cripple the Fund by diverting its funding source, but housing advocates did not want to lose the 40,000 units in FY 2016 that will result from the Senate's HOME reduction.

The Senate bill calls for a large expansion in the Moving to Work program, which allows participating housing authorities to loosen current housing subsidy rules in ways that may divert funding from rental assistance for the lowest income tenants. The [Senate-proposed expansion](#) would add 300 agencies to this demonstration program, affecting as many as 800,000 more units, growing to almost 40 percent of all housing vouchers and public housing units. The bill blocks HUD's plans to establish more effective controls over the Moving to Work program.

In another reduction below current year funding, the Community Development Block Grant is cut by \$100 million, or 3 percent, in the Senate bill; the House funded the CDBG at last year's level. About 1,200 communities nationwide are eligible for CDBG funds, which support efforts to curb urban blight, assist small businesses, assist with home repairs, and provide other community assistance. The Senate's funding level will not be enough to maintain current grant levels to communities, according to the [Senate T-HUD subcommittee minority](#). The bill also cuts the Choice Neighborhoods program from \$80 million to \$65 million. The House bill had slashed funding to only \$20 million. An Obama Administration priority, Choice Neighborhoods funds redevelopment of distressed public housing and other blighted neighborhood renewal. The Administration had sought an increase to \$250 million.

(For the National Low Income Housing Coalition table of HUD funding, showing both House and Senate FY 2016 proposals and comparisons to prior years, click [here](#).)

Supreme Court Upholds the Affordable Care Act; Congress Continues Attempts to Take it down

The Supreme Court's decision last Thursday upholding the use of subsidies in the Affordable Care Act (ACA) didn't stop Republicans in Congress from talking about their next steps to try to repeal the law (for more information on the Supreme Court's decision, read [CHN's statement](#)). According to *CQ*, several Republican leaders have indicated they'll likely use a process known as reconciliation to try to repeal the ACA. In fact, *CQ* quoted Rep. Kevin Brady (R-TX), a member of the House Ways and Means Committee, as saying, "Now it's clear that this is the highest and best use for reconciliation, as full a repeal as this process allows."

Under budget resolution rules, reconciliation instructions may be given to a number of different committees requiring them to come back with legislation that would produce savings, usually by cutting spending in programs under their jurisdictions. As was noted in a previous [Human Needs Report](#), because reconciliation bills cannot be filibustered, they can pass the Senate with only a simple majority instead of the 60 votes required in most other Senate deliberations. However, unlike the budget resolution itself, bills drafted as a result of reconciliation instructions have to be signed into law by the President and therefore are subject to a possible veto. President Obama would veto legislation that repealed or crippled the Affordable Care Act; overriding the veto would require a highly unlikely two-thirds vote in both the House and Senate. (For more information on reconciliation, see [this piece](#) released last week by the Senate Budget Committee.)

The reconciliation instructions in the FY16 joint budget resolution require that reconciliation bills reduce the deficit. When Congress agreed on a joint budget resolution in May, it included these instructions to the specific committees with jurisdiction over the Affordable Care Act; committees were told to reduce

the deficit by between \$2 billion (in the Senate) and \$3 billion (in the House) over the next 10 years. Recommendations are due to the Budget Committees by July 24.

However, the Congressional Budget Office and the Joint Committee on Taxation released a report on June 19 saying that repealing the ACA would increase the national debt by [\\$353 billion over 10 years, or by \\$137 billion](#) over 10 years if ‘dynamic scoring,’ a highly uncertain and controversial way of estimating the impacts of a budget, is used. Therefore, if legislators indeed attempt to fast-track a bill that both reduces the deficit and repeals the ACA, they will need to come up with savings of close to \$140 billion over a decade. Advocates are concerned that Medicaid and/or Medicare might be the targets of devastating cuts to make up this offset. The budget resolution already calls for slashing Medicaid; according to the [Center on Budget and Policy Priorities](#), the cut appears to be roughly \$500 billion (or about 13 percent) over 10 years, and if the repeal of Medicaid expansion is included, the cuts would be about \$1.35 trillion, relative to current law, over that period.

Reconciliation isn’t the only way Republicans are trying to take down the ACA; the House and Senate appropriations bills for the Department of Health and Human Services would defund the law. Advocates who celebrated the Supreme Court’s decision vowed to keep fighting attempts to defund, block and repeal the law or portions of it, and instead called for states who haven’t yet acted on the law’s option to expand Medicaid eligibility to do so to ensure that their low-income residents have access to quality, affordable, life-saving health care. President Obama has repeatedly said he would veto any bill that attempts to repeal all or part of the ACA as well.

Stay tuned to the *Human Needs Report* and CHN’s blog, [Voices for Human Needs](#), for updated information.