

# The Human Needs Report

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# House GOP Budget Delayed by Disagreements over Spending Cuts

Disagreements among House Republicans over their FY17 budget proposal caused House Budget Committee Chairman Tom Price (R-GA) to postpone a committee meeting originally set for February 25 where the proposal would have been unveiled. Many members of the GOP, still unhappy that Congress last year approved replacing most of the scheduled sequester cuts for fiscal years 2016 and 2017, are now calling for cuts to mandatory programs. These programs, not subject to the annual appropriations process, like Medicaid, Medicare, SNAP/food stamps, Social Security and others, would be cut by at least \$30 billion in FY17and more in subsequent years. They claim the cuts would offset the additional \$30 billion in discretionary spending approved as part of the Bipartisan Budget Act Congress passed last fall.

But House GOP leaders haven't yet agreed on the process of how to cut the programs. While Rep. Price early last week suggested the mandatory program cuts could be included as part of the annual

appropriations process, appropriators from both sides of the aisle pushed back, with some saying it would violate House budget rules. The more likely option the GOP is now considering is to pass separate legislation to cut mandatory spending; according to *CQ*, the chairmen of several authorizing committees (the committees with control over mandatory spending) have been directed to work on putting together a package of cuts for the House to approve. Some of the most conservative members of the House, including some of those in the Republican Study Committee and the House Freedom Caucus, are threatening to vote against a budget unless it reneges on the Bipartisan Budget Act and cuts discretionary spending below the agreed-upon caps (in addition to requiring legislation that cuts mandatory spending).

In summary, passage of a budget resolution in the House is uncertain. If the House GOP can agree upon a plan, the House Budget Committee could meet and vote on it the week of March 14. House Democrats <u>urged</u> Rep. Price to use the current delay to hold a hearing on <u>President Obama's budget</u>, which the Budget Committees in both chambers have so far refused to do.

Advocates will push back on cuts to mandatory programs, and not just because, as the <u>Center on Budget</u> <u>and Policy Priorities</u> pointed out, policymakers *already paid for* the \$30 billion discretionary funding increase when they provided in in the Bipartisan Budget Act, so House conservatives shouldn't be demanding that they pay for it twice. CBPP also noted that the offsets included in the bill passed last year do not include any measures to rein in wasteful or inefficient tax breaks. Instead, it extended for one more year (to 2025) sequestration cuts of certain mandatory programs, including a 2 percent cut of Medicare provider reimbursement rates. One of the more troubling offsets repealed an employerrelated health reform requirement that will leave roughly 675,000 more people uninsured in most years after 2018.

Advocates will continue to push for additional spending for programs that assist low-income Americans. <u>New research</u> found that 85 percent of critical human needs programs tracked by CHN saw funding cuts from FY10 through FY16, while only 15 percent saw gains. Even without additional cuts proposed by House Republicans, the total for FY17 appropriations is about the same as this year, and increases required for certain programs will mean funding will again be very tight.

The <u>Congressional Progressive Caucus</u> will be holding a press conference on March 15 to address their budget proposal, which will be released in the coming days. Trying to set the standard for deepest cuts, the <u>Heritage Foundation</u> released a budget plan that would balance the budget in seven years, and which would make unprecedented cuts starting in the first year. It would slash a budget category that includes Medicaid, SNAP and select other mandatory programs by \$340 billion in FY17 alone, cut Medicare by \$152 billion in FY17, and eliminate Head Start over 10 years. It is likely that the House members who support \$30 billion in FY 2017 cuts in mandatory programs will have a difficult time coming to agreement on precisely what those cuts should be. The Heritage Foundation's whopping cuts would be most elected officials' nightmare.

If House Republicans are able to coalesce around a plan, the various Congressional budget proposals could be voted on by the entire House the week of March 21. Spending bills for federal agencies for FY17 are expected to be introduced in April.

For many more details on the President's budget, including sections on select departmental budget requests and tax policy, see our <u>February 16 special edition *Human Needs Report*</u>.

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#### Slow Response to the Flint, MI Lead Poisoning Emergency

"We offset emergency spending." House Speaker Paul Ryan (R-WI) <u>said that</u> on February 11 when asked about providing funding to combat the Zika virus. The insistence of finding cuts in federal spending to cover the cost of responding to an emergency is also being applied to the lead poisoning catastrophe in Flint, Michigan, in both House and Senate. This is not the usual approach: Congress is legally allowed to provide funds for emergencies without having to pay for urgently needed services. Negotiations in the Senate over funding to help Flint have produced a bill with a bipartisan list of 10 co-sponsors,\* and it contains a cut to pay for the Flint relief. Yet its prospects are still uncertain.

The change in Flint's water source in April of 2014, coupled with the failure to treat the water with a chemical to reduce readily predictable corrosion, has resulted in <u>at least doubling the number of young children with elevated blood lead levels</u>, compared to measurements before the water source switch. In poor areas such as Ward 5 in Flint, which experienced some of the highest lead contamination, the proportion of children with elevated blood level levels tripled, to almost 16 percent. With the toxicity of lead well known, especially in young children, the need for a comprehensive approach for Flint is urgent. In addition to replacement of water lines, thousands of children affected by lead poisoning need medical treatment, evaluations of their developmental progress, and potentially special education services. Adults have been affected by other contaminants in the water too, including <u>outbreaks of Legionnaire's Disease</u> tentatively attributed to the changed water source.

The bill, the Drinking Water Safety and Infrastructure Act (<u>S. 2579</u>), with lead sponsor Senator Debbie Stabenow (D-MI), is co-sponsored by Senate Environment and Public Works Chair James Inhofe (R-OK). Pared back from an earlier \$600 million amendment to the energy bill sponsored by both Michigan Senators, Stabenow and Peters, this new legislation would provide \$242 million to assist with the repair of water infrastructure in Flint and other localities. The deal would call for this bill being acted upon separately, allowing the energy bill to move forward. However, despite S. 2579's bipartisan cosponsorship, it is not yet clear that it has the 60 votes needed to pass it in the Senate. Its fate in the House is also cloudy.

The Drinking Water Safety and Infrastructure Act will provide \$100 million in subsidized loans and grants this year and next to any state that receives an emergency declaration resulting from a public health threat from lead or other contaminants in the water supply. The bill also provides direct funding of \$70 million to the Water Infrastructure and Innovation Fund, a loan fund expected to generate \$700 million in financing for water infrastructure projects.

In addition to providing for infrastructure repairs, the bill includes \$50 million to address the health impacts of this mass poisoning. Of that, \$32.5 million is intended to lessen the short- and long-term effects of lead poisoning, including assistance to pregnant women and new mothers. The remaining \$17.5 million would create a national registry to monitor the health effects of children exposed to lead.

The health provisions would work in tandem with an expected expansion of Medicaid in Michigan, through a waiver request submitted by Governor Rick Snyder to the federal government. The waiver request would expand Medicaid and CHIP to people up to age 21 and pregnant women with incomes up to 400 percent of the federal poverty line served by the Flint water system. Michigan has opted to expand access to Medicaid under the Affordable Care Act, but it charges premiums to eligible people with incomes between 160 - 212 percent of the federal poverty line. Under the waiver, no one affected by the Flint lead crisis would be subject to such charges. In addition, the request seeks Medicaid funding for the removal of lead hazards in buildings. It would include contamination from lead paint, another serious source of poisoning in children. The federal government has not yet responded to the waiver request, but is expected to do so soon.

The bill's costs are paid for by rescinding a \$250 million credit subsidy for new Advanced Technology Vehicles Manufacturing loans that would be issued after October 1, 2020. Some in Congress have questioned whether this is an appropriate offset, since it was originally passed on an emergency basis as aid to the Michigan auto industry and was not itself paid for. It is not yet known if this is a pervasive concern.

By making the funding available to other communities with lead contamination in their water supply, the bill addresses a demonstrable need, but if it is spread over multiple communities, the funding is more glaringly inadequate. Most observers believe that more funding is not achievable at this point in the Senate, although some hold out hope there will be more during the appropriations process. But if increases are included within the tight appropriations caps, more funding to address lead poisoning will mean cuts for other programs. Congress has a lot of catching up to do, after years of ignoring the hazards of lead. A Centers for Disease Control program for lead poisoning prevention was been cut nearly 56 percent since FY 2010; a HUD lead removal program was cut nearly 29 percent over the same period. (*See CHN's table of human needs program funding, FYs 2010-2016*).

\*The bill's co-sponsors: Stabenow (D-MI), Inhofe (R-OK), Peters (D-MI), Portman (R-OH), Brown (D-OH), Kirk (R-IL), Reed (D-RI), Burr (R-NC), Durbin (D-IL), and Boxer (D-CA).

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# Senate Voting on Bill to Fight Opioid Addiction

The Senate is expected to vote Monday evening to move forward on a bill to address addiction to opioids, a class of drug that includes prescription painkillers and heroin. The Comprehensive Addiction and Recovery Act (S. 524) would expand efforts to reign in prescription drug and heroin abuse, strengthen prescription drug monitoring programs, ramp up treatment and intervention programs for individuals who are addicted to opioids, and increase access to medication that can reverse overdoses. The bill, sponsored by Senators Sheldon Whitehouse (D-RI) and Rob Portman (R-OH), has strong bipartisan support.

The Senate is expected to consider several amendments to the bill, including one from Senator Jeanne Shaheen (D-NH) that would provide \$600 million in emergency supplemental funding to fight the crisis.

Some Republicans are expected to object to this amendment because of the additional spending, which could be proposed without offsetting cuts. The FY16 omnibus spending bill passed last fall included about \$400 million to address the opioid and heroin abuse epidemic. President Obama's FY17 budget requested \$1 billion in new mandatory funding over two years and an additional \$559 million in discretionary funding for FY17 for this fight.

Statistics show that more Americans die of drug overdoses than in car crashes, and the majority of those overdoses involve prescription medications. In fact, four in five heroin users started out by misusing prescription opioid pain medications. The rate of opioid-related deaths quadrupled between 2002 and 2014, taking the lives of 78 people each day. Health and Human Services Secretary Sylvia Mathews Burwell recently <u>noted</u> that 2.2 million people need treatment for opioid abuse, but only about 1 million are receiving it.

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