



COALITION ON HUMAN NEEDS

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Senate and House Move Forward with Spending Bills Despite Uncertainty around House Budget

Despite the lack of a Congressional budget resolution, the Senate is moving forward with work on FY17 spending bills. Senate leaders have agreed to adhere to the spending limit for discretionary programs (those subject to the annual appropriations process) set by the Bipartisan Budget Act Congress passed last fall. This gives Senate appropriators a topline number of \$1.07 trillion to work with, which includes \$551.1 billion for defense programs and \$518.5 billion for non-defense programs. This Thursday, April 14, the Senate Appropriations Committee will disclose how much money each of the 12 subcommittees will be allowed to spend on the programs in its jurisdiction, known as 302(b) allocations. While the non-defense spending limit for FY17 is the exact same as FY16 levels, rising costs in some areas (like veterans' health care) mean the subcommittee allocations are likely to change to some extent from the

current year's allocations. The Senate Appropriations Committee is also expected to take up two FY17 spending bills on the 14th – the Military Construction and Veterans Affairs Appropriations bill and the Energy and Water Appropriations bill – following the mark up of these bills in the respective Senate Appropriations subcommittees on April 13.

Returning tomorrow after a 2-plus week recess, it's still unclear whether House Republican leaders have enough votes from the more conservative members of the party to pass the budget blueprint approved by the House Budget Committee on March 16. That budget plan also adhered to the \$1.07 trillion topline number agreed to last fall, but it makes [at least \\$3.5 trillion](#) in cuts over the next decade to programs that serve low-income and vulnerable people, including \$449 billion in cuts to Medicare and \$1 trillion in cuts to Medicaid. Overall, the plan would get [62 percent](#) of its budget cuts from low-income programs even though they account for just 28 percent of total non-defense program spending. It also turns SNAP/food stamps into a block grant. Advocates [condemned](#) the House budget resolution.

In an attempt to garner enough support from conservatives for the resolution, House Republican leaders also released plans in March to cut certain mandatory programs (those not subject to the annual appropriations process). The House Ways and Means Committee passed plans that would cut \$98 billion over 10 years by eliminating the \$1.7 billion Social Services Block Grant (H.R. 4724), denying the Child Tax Credit to millions of children (mostly citizens) in low-income working immigrant families (H.R. 4722), and ending limits on how much can be recovered if people getting insurance subsidies through the Affordable Care Act receive too much based on their actual income (H.R. 4723). In addition, the House Energy and Commerce Committee passed a plan to eliminate the Prevention and Public Health Fund created under the Affordable Care Act, reduce Medicaid reimbursements to states for people in prison, and cut federal funding for the Children's Health Insurance Program. These proposals would cut \$25 billion over 10 years.

Despite having [called for](#) these cuts, many conservative members of the House are now saying they still won't support a budget resolution at the \$1.07 trillion number without assurance that the mandatory cuts packages would pass as well. This leaves House leaders with a few options: they could try to pass a budget at the lower \$1.04 trillion limit that conservatives are calling for, but that would make it far harder to enact appropriations bills, an outcome House and Senate leaders want to avoid. Alternatively, they can try to satisfy rebellious right wing members that mandatory cuts have a better chance of passing. A House Rules Subcommittee is meeting this Thursday to consider a measure that would allow appropriators to cut mandatory spending, which is otherwise not part of their jurisdiction. They may also consider a measure to halt spending on programs whose authorization has lapsed because of Congressional inaction, which could affect many human needs programs.

Another approach might be to fence off \$30 billion in discretionary spending until the mandatory cuts package is passed (\$30 billion is the amount the mandatory cuts package would cut over two years; its total price over 10 years is more than [four times](#) that amount). As the appropriations bill that covers low-income programs is often the last to be dealt with, this scenario is not good for programs advocates care about. In short, how the budget and appropriations process will play out in the House remains to be seen.

Despite the uncertainty, however, House appropriators are moving forward with marking up FY17 spending bills this week, too. The full House Appropriations Committee will meet on Wednesday, April 13 and unveil its 302(b) allocations for subcommittees and will vote on the FY17 Military Construction and Veterans Affairs spending bill. The FY17 Energy and Water Appropriations bill and the Agriculture Appropriations bill will also be taken up by those respective subcommittees on the 13th.

The Coalition on Human Needs has endorsed The [Congressional Progressive Caucus'](#) budget proposal, "[The People's Budget](#)," as noted in this *Huffington Post* [opinion piece](#). Many advocates support this proposal for its investments in programs that help lift low-income Americans out of poverty and to create millions of jobs.

For more information on all things budget, see our [FY17 budget resource page](#).

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Supreme Court Upholds Collective Bargaining

Advocates celebrated the Supreme Court's March 29th decision that keeps current law regarding public union fees intact. The Court's 4-4 ruling in the *Friedrichs v. California Teachers Association* case means that public employees who don't join a union can continue to be charged an "agency" or "fair share" fee to pay for costs that the union incurs outside of political activities, like for collective bargaining. A ruling against the California Teachers Association could have severely hurt public sector unions, which fight for better wages and working conditions for millions of American workers – whether or not they are union members. The 4-4 ruling leaves other lower court decisions in place, but lower courts have favored longstanding precedent supporting union fair share fees. For additional information and responses, see these statements from the [National Education Association](#), the [American Federation of State, County and Municipal Employees](#) and the [Service Employees International Union](#).

Advocates also cheered the high Court's unanimous April 4th ruling that states must continue to draw congressional districts based on total population, not only on the eligible voter population. Many advocates opposed the challenge to the current law, [noting](#) that basing congressional districts only on eligible voters would mean millions of non-voters, including children, non-citizens, disenfranchised citizens and anyone else ineligible to vote living in the U.S., would no longer be represented.

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Treasury Department Cracks Down on Corporate Tax Dodging

Advocates applauded guidelines issued by the U.S. Treasury Department on April 4 that caused the collapse of the drug company Pfizer's merger with fellow drug firm Allergan, which would have allowed Pfizer to dodge a \$35 billion U.S. tax bill. The guidelines reduce the benefits and limit the number of companies that use the tax inversion loophole. The day after the guidelines were issued, Pfizer and Allergan announced the termination of their merger, saying that Treasury's proposed new rules drove the decision. [Americans for Tax Fairness \(ATF\)](#), of which CHN is a member, had called for strong executive action to prevent Pfizer from being able to pull off the \$35 billion tax dodge, noting that our country could use that money to pay for human needs. For more information on the Treasury Department's move and ATF's work, see our related [blog post](#). CQ is reporting that some Senate

Democrats are saying they want legislation to expand and make permanent the rules against corporate inversions, which allows companies to lower their tax bill by buying or merging with a company with headquarters (often on paper only) in another country.

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Funding for Emergencies: Lead Poisoning, Opioids and Zika

While Congress continues to refuse to respond to several emergency situations, advocates and the Obama Administration continue to push legislators to address them. Last Wednesday, the White House announced that \$589 million would be redirected from Ebola funding to fight the Zika virus. Republican leaders had called for this transfer, which was initially opposed by the Administration because the need for Ebola prevention and treatment remains great. The urgent need to combat Zika caused the Administration to use these funds, but it continued to push Congress to approve its request for \$1.9 billion in emergency funding to fight the disease. As CHN noted in this [blog post](#), major cuts to public health funding have left health departments unable to deal with a serious outbreak of the Zika virus, which has a potentially disparate impact on low-income people.

Advocates greeted the Senate's return last week with a [renewed push](#) for the chamber to pass a bill to provide nearly \$250 million to assist with the repair of water infrastructure in Flint and other localities affected by lead-contaminated water. Many advocates felt it was unconscionable that the Senate had left town for a two week Easter break without first acting on the Drinking Water Safety and Infrastructure Act ([S.2579](#)) to help the affected communities. Advocates also continue working to ensure the federal government acts to protect all children and families in federal housing programs from lead poisoning by supporting the [Lead-Safe Housing for Kids Act of 2016](#).

And while Congress rejected a measure to provide \$600 million in emergency funding to address addition to opioids, a class of drug that includes certain prescription painkillers and heroin, President Obama [spoke](#) at a prescription drug and heroin abuse summit. While the White House is [acting](#) to provide some additional funding to combat the epidemic, especially in underserved communities, the funding it can provide is far short of the \$1.1 billion President Obama included in his FY17 budget request for this fight.

For additional information on these three emergency situations, see our [March 14 Human Needs Report](#).

As CHN [previously noted](#), Republican leaders in Congress have repeatedly insisted on finding cuts in federal spending to cover the cost of responding to emergencies like these. However, Congress is legally allowed to provide funds for emergencies without having to pay for urgently needed services and has done so many times in the past. Congress' insistence on offsetting funding now is considered by many advocates to be short-sighted and damaging to the Americans affected by these crises.

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