



# COALITION ON HUMAN NEEDS

## *The Human Needs Report*

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### IN THIS EDITION

HEALTH CARE:	<a href="#"><u>Advocates Denounce House Passage of ACA Repeal Bill</u></a>
BUDGET & APPROPRIATIONS:	<a href="#"><u>FY17 Appropriations Bill Avoids a Shutdown</u></a> <a href="#"><u>Looking Ahead to FY18 Budgets</u></a>
TAX POLICY	<a href="#"><u>Trump Administration Releases Tax Cut Outline</u></a>
TRUMP ADMINISTRATION:	<a href="#"><u>Labor Secretary Confirmed</u></a>
LABOR:	<a href="#"><u>President Repeals Rule Affecting Workers' Retirement Security</u></a>

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### **Advocates Denounce House Passage of ACA Repeal Bill**

Advocates were quick to denounce the May 4 move by the House of Representatives to pass ([217-213](#)) the American Health Care Act, which repeals the Affordable Care Act enacted under President Obama. The Center on Budget and Policy Priorities' Bob Greenstein said in a [statement](#), "I have been in Washington, D.C. for 45 years. But I have never seen members of Congress vote to so deeply hurt so many of their own constituents." CHN's Deborah Weinstein [called](#) it, "a day of shame for the United States House of Representatives." Diane Randall, Executive Secretary of the Friends Committee on National Legislation, [said](#), "The AHCA inflicts the most damage on children, on individuals who are sick, people with disabilities, seniors, and low-income families struggling just to get by." Bread for the World's Rev. David Beckmann [predicted](#) that, "The American Health Care Act will push millions of people into hunger and poverty."

According to [CBPP](#) and others, the bill will strip coverage from 24 million Americans; require millions more people to pay thousands of dollars more each year for coverage and care; rip \$800 billion out of Medicaid over the next decade by ending the Affordable Care Act's Medicaid expansion and by cutting federal support for state Medicaid programs, forever ending the program in its current form; gut protections for people with pre-existing conditions; eliminate the national requirement that health plans cover basic benefits; and let employers and insurers impose lifetime and annual limits on coverage. It would also give billions of dollars in tax cuts to millionaires, with the wealthiest 400 Americans getting an average tax cut of \$7 million a year each. The \$8 billion over 5 years for high-risk pools that was added to the bill to garner additional GOP support was [called](#) "a fig leaf that falls woefully short of what would be needed." In fact, experts say \$8 billion over five years is enough to help just [160,000 with their premiums](#) – a tiny fraction of the millions of Americans with pre-existing conditions who are in the individual market or uninsured. (The original bill had allocated \$130 billion over 10 years to the high risk pools; the small addition does not come close to reaching the \$327 billion over 10 years that analysts at the [Center for American Progress](#) estimated would be necessary to cover the cost of covering people with conditions that would place them in the high risk pool.) The Center for Law and Social Policy [said](#) other last-minute changes made to entice GOP Representatives, such as allowing states to waive the essential benefits package and allowing health plans to charge people with preexisting conditions more for health insurance, "made a terrible bill even worse."

The path forward for the bill remains unclear. Using a special process known as reconciliation, a bill could pass the Senate with only 51 votes, but it is highly unlikely that there are 51 Republican Senators who would vote for the House bill in its current form. [Reports](#) are that GOP Senators may make revisions to the House bill or write their own bill. Even if the Senate wanted to take up the House bill, it could not do so before the Congressional Budget Office, the nonpartisan scorekeeper in Congress, provides an estimate of the fiscal and coverage impact of the House bill, which could happen late this week or next week. Some language in the House bill may also [run afoul](#) of Senate rules for legislation passed under the reconciliation process. Some reports are that the Senate may not move on repeal legislation until June. Advocacy organizations have been busy in the days following the House vote encouraging advocates to contact their Senators to urge them to keep the Affordable Care Act, protect Medicaid and the subsidies in the ACA, and ensure coverage for individuals with pre-existing conditions.

[Return to Top](#)

### **FY17 Appropriations Bill Avoids a Shutdown**

Congress avoided a government shutdown and finalized FY17 appropriations last week by passing one large spending bill, known as an omnibus, that combined the remaining 11 spending bills. The omnibus provides spending guidance to federal agencies through Sept. 30, the end of the fiscal year. The bill (H.R. 244) includes \$1.07 trillion in base spending – \$551 billion in base defense spending and \$515.5 billion in base non-defense spending – to adhere to spending caps. The total cost of the bill is estimated at \$1.18 trillion, which includes war funds and emergency and other spending outside of the caps. This includes an additional \$15 billion for defense spending (President Trump asked for \$30 billion) and additional

money for border security. The bill passed both chambers with broad bipartisan support ([309-118](#) in the House; [79-18](#) in the Senate) and was signed by President Trump on May 5. According to *CQ*, the bulk of the no votes in the House came from ultra-conservative Republicans who viewed the package as too light on GOP spending and policy priorities; only 15 Democrats in the House voted no, again demonstrating that the House leadership depends on Democratic votes to pass spending bills.

Advocates celebrated the fact that Congress rejected the \$18 billion in cuts to domestic programs called for by President Trump and rejected the money Trump asked for to start the construction of a wall along the U.S.-Mexico border. While many human needs programs received flat funding from FY16, there were things to celebrate in the bill: **the restoration of year-round Pell grants, additional funds to combat opioid abuse, the rejection of hundreds of poison pill riders**, and more. Funding for the **Child Care and Development Block Grant (CCDBG)** increased by \$95 million more than FY16 levels, and the **Head Start** program received \$85 million more than in FY16. The **TRIO and GEAR UP** programs both saw increases, as did **Homeless Assistance Grants**, which received \$133 million more than in FY16. The **Lead Hazard Control and Health Homes** program under the Department of Housing and Urban Development received a \$35 million bump over FY16 levels, and **Section 8 Rental Assistance** is funded to adequately renew existing vouchers and contracts. **Special Education IDEA** grants to states to support education for children with disabilities received a \$90 million bump.

Not all news was as good; the overall **Department of Education's** budget was cut by \$1.2 billion, and the **Department of Labor's** budget was cut by \$83 million. The **Corporation for National and Community Service's** budget was cut by \$64.5 million, and many **juvenile justice programs** were cut as well. CHN will soon release a chart showing how more than 160 human needs programs fared in the omnibus and how they've fared in spending decisions since FY10. While some programs received increases this year, the vast majority of these programs have lost ground since FY10. This takes inflation into account, but for most of the programs, the losses exceeded inflation.

Advocates were also disappointed that the bill did not maintain the principle of parity, or providing equal relief from sequestration cuts for defense and non-defense programs. Summaries of the omnibus bill are available from [Republicans](#) and [Democrats](#) on the House Appropriations Committee, and the full bill text can be found [here](#). The National Low Income Housing Coalition released a [chart](#) and [analysis](#) of how the omnibus affects housing programs.

[Return to Top](#)

### Looking Ahead to FY18 Budgets

With FY17 appropriations wrapped up, advocates and Congress are looking ahead to Fiscal Year 2018, which begins October 1. The House Budget Committee was previously expected to take up its FY18 budget resolution as early as the week of May 15, but recent reports speculate that they will wait until after the Memorial Day break, with the Senate Budget Committee waiting until June. President Trump is expected to release his full FY18 budget the week of May 22; this budget is expected to include

proposals for revenues and for mandatory spending areas such as Medicaid, Medicare, and SNAP, as well as details left out of his preliminary FY18 budget request released in March. For information on President Trump’s preliminary FY18 budget request (also called a “skinny budget”), which included \$54 billion cuts to nondefense programs to pay for an equal increase in Pentagon spending, see the [April 3 Human Needs Report](#). You can also view a recording of CHN’s webinar on the Trump budget [here](#). For more information on all things related to the FY18 budget, see CHN’s [FY18 budget resource](#) page.

Advocates are concerned that the House GOP budget will contain massive cuts that would be devastating to human needs programs. Any additional cuts would be on top of sequestration-level funding, which is scheduled to go back into effect for FY18 unless a bipartisan budget deal is reached to lift the spending caps. Sequestration for FY 2018 would require a \$5 billion cut below this year’s appropriations totals; as noted above, the President would cut far more deeply.

Republicans in Congress hope to use a special process known as reconciliation with the FY18 budget resolution that would allow them to pass tax cuts, and possibly restrictions in entitlement programs, with only a simple majority in the Senate. If Congress wants to make use of this year’s reconciliation bill, they must complete it before they pass an FY18 budget resolution. A budget resolution is a plan through which Congress sets certain spending/taxation rules for itself; it does not go to the President for his signature and does not become law. Failure to pass a FY18 budget does not stop Congress from working on and passing FY18 appropriations bills.

[Return to Top](#)

### **Trump Administration Releases Tax Cut Outline**

On April 26, the Trump Administration [released](#) an outline of a tax agenda that would slash taxes on corporations and wealthy individuals. The plan would cut the corporate tax rate by nearly 60 percent – down from 35 percent to 15 percent – for corporations, and other businesses that pay tax through the individual income tax would do even better. The latter includes very lucrative businesses like those set up by hedge fund managers, lawyers, and real estate tycoons; Trump himself actually owns [500](#) such so-called “pass-through” businesses. The plan would also impose a “very competitive” one-time tax on trillions of dollars of profits held by corporations offshore, which Americans for Tax Fairness (ATF) [says](#) could add up to giving these companies a huge tax break of as much as \$600 billion. The plan also includes slashing taxes on wealthy individuals by eliminating the alternative minimum tax, the estate tax, and a tax on wealthy investors that helps pay for lower-income families’ health care under the Affordable Care Act. For a summary of what’s in the Trump tax cut outline, see [this piece](#) from ATF. As the Center on Budget and Policy Priorities [notes](#), the Trump plan “calls for ‘tax relief for families with child and dependent care expenses’ but doesn’t explain how it would do so.”

While the Trump administration said the tax cuts will pay for themselves with economic growth and reduced deductions, most experts (even conservatives like those at the [Tax Foundation](#)) disagree. The nonpartisan Committee for a Responsible Federal Budget [estimated](#) that the plan will result in \$5.5

trillion in revenue lost over of decade, and that cost could go as high as \$7 trillion. Advocates are concerned that the GOP will insist on cuts to critical human needs programs to pay for these tax cuts rather than allow the deficit to balloon.

Treasury Secretary Mnuchin [said](#) he would like to see tax reform legislation completed this year. House Speaker Paul Ryan has indicated that Republican leaders in Congress are working with the White House to reach consensus on a plan. Republicans in Congress hope to use a special process known as reconciliation with the FY18 budget resolution that would allow them to pass tax reform with only a simple majority in the Senate.

[Return to Top](#)

### **Labor Secretary Confirmed**

Alexander Acosta was confirmed ([60-38](#)) as the new Labor Secretary on April 27. The National Employment Law Project, [Jobs With Justice](#), the National Domestic Workers Alliance, the [Leadership Conference on Civil and Human Rights](#), and other groups in the human needs community opposed his nomination. Acosta is a former U.S Attorney, former assistant attorney general for the Civil Rights Division of the Department of Justice, and a former member of the National Labor Relations Board. He is also the first Hispanic member of President Trump's cabinet.

[Return to Top](#)

### **President Repeals Rule Affecting Workers' Retirement Security**

On April 13, President Trump signed legislation repealing a rule issued under the Obama Administration that would allow cities to create retirement savings accounts for private sector and low-income workers whose employers do not offer retirement plans on their own. On May 3, the Senate voted ([50-49](#)) to repeal a similar measure covering [state-sponsored plans](#); the House voted to repeal this in February, and President Trump is expected to sign it. AARP opposed actions by Congress to repeal the rules; AARP Executive Vice President Nancy LeaMond [said](#), "[T]he Senate moved to limit opportunities for families who want to save for a better life as they age. ... H.J. Res. 66 does significant harm to a common-sense bipartisan solution that creates private investment vehicles to help middle class families save through a simple payroll deduction." Today, [55 million](#) working Americans lack access to workplace retirement savings plans.

Congress can still take action on the multitude of "resolutions of disapproval" that have already been filed under the Congressional Review Act (CRA) to undo rules put in place under President Obama, but as the deadline for introducing new legislation under the CRA elapsed on March 30, new resolutions can no longer be introduced. According to [Public Citizen](#), 13 rules have been repealed, one awaits the President's signature, one more has passed the House, and another [18 rules](#) have valid resolutions targeting them. Prior to this year, Congress had repealed only one rule using the fast-track CRA process,

in 2001. For more information about other rules and regulations under threat and the CRA, see [this statement](#) from Public Citizen and [RulesAtRisk.org](#).

[Return to Top](#)

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