

The Human Needs Report

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IN THIS EDITION

APPROPRIATIONS: Appropriations Work Goes Into High Gear Following

Budget Deal

TAX POLICY: Congress to Move Corporate Tax Breaks; Future of

Low-Income Tax Credits Remain Uncertain

What's Left on Congress's To-Do List

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Appropriations Work Goes Into High Gear Following Budget Deal

On November 2, President Obama signed into law the <u>Bipartisan Budget Act of 2015</u>, which raises the debt ceiling, eliminates of the majority of the harmful sequester cuts, avoids benefit cuts for recipients of Social Security Disability Insurance, and avoids a large premium jump for a sizable number of Medicare beneficiaries (For more on what the deal does and doesn't do, see CHN's blog, <u>Voices for Human Needs</u>). All told, the deal means \$33 billion more for human needs and other domestic programs in FY16.

The passage of the budget deal allowed appropriators in Congress to turn to the task of dividing up the new top-line dollar figures for the 12 appropriations subcommittees covering the many different departments in the federal government, and drafting spending legislation that must pass by December 11 when the current government funding runs out. Advocates have been weighing in with appropriators

to make sure the additional funds secured in the budget act go to human needs programs that have been subjected to years of cuts.

CQ reported that there is some concern that Republicans will look to cut the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the Supplemental Nutrition Assistance Program (SNAP/food stamps) and the Head Start program to replace a cut in crop insurance subsidies that was included in the budget act. However, since Democratic votes will be needed to pass any spending package, cuts to these critical programs will likely be met with firm resistance.

Before heading home for a Veteran's Day recess, the Senate passed the Military Construction — Veterans' Affairs appropriations bill, its first FY2016 appropriations bill passed. The bill could serve as a shell for an omnibus, a larger spending package that could incorporate all or some of the 12 spending bills Congress was supposed to have passed by the start of the current fiscal year on October 1. Despite speculation that Congress will end up passing an omnibus to set funding levels for everything needing annual approval, Republican leaders in the Senate want to continue moving some of the 12 stand-alone spending bills, too; they are expected to take up the Transportation — Housing and Urban Development spending bill this week unless Democrats move to block debate on the bill. The House passed six appropriations bills earlier this year: Military Construction — VA, Transportation-HUD, Commerce-Justice-Science, Defense, Energy-Water, and Legislative Branch.

There is some concern that harmful ideological policy changes, known as "riders," could stop a spending package in its tracks and cause a government shutdown or lead to Congress passing a Continuing Resolution (CR), or stop-gap spending measure, for the full remainder of FY16. Many riders are being proposed, setting restrictions in such areas as Department of Labor worker protections, environmental regulations, regulatory protections for consumers, and funding for Planned Parenthood. One new rider would block President Obama's proposal to accept 10,000 Syrian refugees seeking asylum in the U.S. in FY16. Speaker of the House Paul Ryan (R-WI) announced on Tuesday that the House would vote this week to temporarily halt the U.S. refugee program following the attacks Friday in Paris. The U.S. Conference of Catholic Bishops issued a <u>statement</u> pointing out that "...refugees to this country must pass security checks and multiple interviews before entering the United States," with the vetting process taking up to two years. A rider in an omnibus could seek to block funding for the refugee program, which now serves about 70,000 people from all over the world, and would rise to about 85,000 with the increase in refugees from Syria. Blocking entrance of Syrian refugees is a move that the President and many Democrats are expected to oppose.

As the <u>Center on Budget and Policy Priorities</u> points out, a full-year CR would be highly problematic for many reasons. Advocates are also very concerned that Congress would put together an omnibus with detailed decisions and increased funding for most appropriations areas, but may give up for several contentious areas and let them operate under a full-year CR. Funding for the departments of Labor, Health and Human Services and Education could be threatened in this way. A CR for the rest of this fiscal year would mean no increase in spending for these departments overall – a bitter disappointment should it occur. Advocates are urging members of Congress to reject harmful riders and reject a full-year CR.

Congress to Move Corporate Tax Breaks; Future of Low-Income Tax Credits Remain Uncertain

Also on the horizon for Congressional action is a package of approximately 50 (mostly) <u>corporate tax breaks</u>. The tax breaks, known as "tax extenders" in Washington because they have been repeatedly extended on a temporary basis, expired at the end of 2014. Many Republican members of Congress want to see many of these tax breaks made permanent. Many human needs advocates oppose making them permanent without paying for these tax breaks with other revenue increases, since they cost hundreds of billions of dollars. It is possible that Congress will extend all of the corporate tax breaks for another year or two, or they may choose to extend some while others are made permanent. It is also possible that some of the tax breaks could be added to the transportation funding bill on Congress's agenda.

Advocates are emphatic that no corporate tax breaks be extended or made permanent without making permanent improvements to the low-income Earned Income Tax Credit and Child Tax Credit that are set to expire in 2017. Data released by the Census Bureau in September show that these two low-income tax credits <u>lifted more than 10 million people – and more than 5 million children – out of poverty in 2014</u>. If improvements made in 2009 to the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC) are allowed to expire in 2017, 16 million Americans – including 8 million children – will fall into poverty or become more deeply poor.

Return to Top

What's Left on Congress's To-Do List

With the holiday season just around the corner, Congress's to-do list remains long. Congress still needs to reauthorize the <u>transportation bill</u> to keep funds flowing to highway and public transit projects before the current stop-gap funding bill expires on November 20. On Monday, the House passed a two-week extension that would keep programs authorized through December 4 and give Congress more time to work on a longer-term bill; the Senate is expected to pass that extension this week. The House passed its version of a six-year reauthorization package on November 5, months after the Senate passed its version on July 30. Representatives and Senators will meet in conference committee to hammer out the differences between the two bills and come up with a compromise bill that, if passed by both chambers, will go to the White House.

The law governing <u>child nutrition programs</u> expired on September 30. Language in the current stop-gap Continuing Resolution (CR) means the programs will be funded through December 11, when the current CR expires. **The Child Nutrition and WIC Reauthorization Act** sets the policy and funding structure for all of the federal school meal and child nutrition programs, including National School Lunch, Summer Food Service Program, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and others. Many of these programs are permanently authorized (subject to Congress funding their operations), but Congress reviews the laws governing them every five years. Other programs included in the law that are not permanently authorized, like WIC, are also funded as a part of the CR. Funding for

some of these programs could get wrapped up in the larger appropriations bill that's at the top of Congress's to-do list.

The House Ways and Means Subcommittee on Human Resources released a <u>discussion draft</u> of reauthorization legislation for the **Temporary Assistance for Needy Families (TANF)** program in July. The TANF block grant has not been fully reauthorized in recent years, but has instead been temporarily extended a number of times since it was last due for reauthorization in 2010. Authorization for TANF could also be extended as part of a larger year-end deal.

Advocates hope to see further movement of the **Sentencing Reform and Corrections Act of 2015**, which passed the Senate Judiciary Committee in October. As noted in the <u>October 26 Human Needs Report</u>, the bill would eliminate the harsh three-strike mandatory life sentence, reduce federal penalties for some drug-related and other crimes, and address the extreme disparities in sentencing for crack versus powder cocaine offenses, among other reforms. The bill has strong bipartisan support.

The House and Senate passed different versions of bills to reauthorize the **Elementary and Secondary Education Act** back in July, but action stalled after that. The House may vote this week to go to conference with the Senate, where differences between the bills could be worked out. Both bills would shrink the federal government's role while giving more power to state and local agencies, but the House version is seen by many advocates as being more conservative. The No Child Left Behind Act technically expired in 2007, but Congress's failure to pass a new education law since then means that NCLB remains intact.

The number of big legislative items left to be dealt with this year and the shrinking number of legislative days in which to deal with them means the future of these pieces of legislation remains uncertain.

Return to Top