



# COALITION ON HUMAN NEEDS

## The Human Needs Report

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### IN THIS EDITION

#### BUDGET AND APPROPRIATIONS:

[Appropriations Overview Update](#)

[Labor-HHS-Education Bill Moves in Senate](#)

[Fight over War Spending Comes to Head in the Senate](#)

#### POVERTY:

[House GOP Releases Poverty Plan](#)

#### CHILD NUTRITION:

[Advocates Rally against Provisions in House Child Nutrition Bill](#)

#### LABOR:

[New Overtime Rule Celebrated by Workers](#)

#### HEALTH:

[Senate and House to Work out Differences on Zika Funding](#)

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### **Appropriations Overview Update**

The appropriations process is proceeding through Congressional committees but is moving more slowly through the full House and Senate. Twelve spending bills are required to keep the government operating; the House has passed 10 through appropriations subcommittees, eight of those through the full House appropriations committee, but only two through the full House (another was taken up by the full House but was rejected). Despite this movement, House leaders still haven't released spending limits

for the 12 appropriations subcommittees, known as 302(b) allocations. The Senate has passed nine spending bills through its appropriations subcommittees and full committee, and three on the Senate floor. None of have been enacted into law. After the House's FY17 Energy-Water spending bill failed on the House floor (112-305) in late May due to contentious riders, Speaker Paul Ryan (R-WI) indicated last week that amendments to spending bills will be limited going forward, a reversal of the position he announced when he took over the top job.

With the limited number of days left on the Congressional calendar this year, a temporary stop-gap measure to keep the government funded after September 30 is almost surely in the forecast. For more information on all things budget, see our [FY17 budget resource page](#) and our [May 16 Human Needs Report](#).

[Return to Top](#)

### **Labor-HHS-Education Bill Moves in Senate**

On Thursday, June 9, the Senate Appropriations Committee passed (29-1) the FY17 Labor, Health and Human Services and Education (Labor-HHS-Ed) spending bill, the first bipartisan Labor-HHS-Ed bill in seven years. The measure would provide \$161.9 billion in discretionary (annually appropriated) funding, \$270 million below FY16 levels and \$2 billion below President Obama's request. The Department of Labor would receive \$12 billion, \$134 million below FY16. The Department of Health and Human Services would receive \$76.9 billion, a \$1.4 billion over current year spending. The Department of Education would receive \$67.8 billion, a \$220 million cut from current levels.

Reactions from advocates were mixed. Advocates were pleased that no ideological riders were included. The bill restores **year-round Pell Grant** eligibility for the 2017-2018 school year. **Apprenticeship Grants** received a \$10 million (10 percent) bump, up to \$100 million. Support for **homeless students** increased by \$7 million to \$77 million. **Special education IDEA** grants to states to support education for children with disabilities would increase by \$40 million over FY16 to \$11.95 billion

However, a \$2 billion increase in funding for the **National Institutes of Health** (up to \$34 billion) meant that many other programs were cut, level-funded, or received only nominal increases. The **Low Income Home Energy Assistance Program (LIHEAP)** received level funding compared to FY16, as did the **YouthBuild** program and **preschool development grants**.

Among the cuts are a \$117 million cut to **afterschool programs** and a \$118 million cut to the **Centers for Disease Control and Prevention (CDC)**, though at \$7.1 billion, it's still \$76 million more than the President's request. This includes \$261 million for fighting **opioid abuse**, an increase of \$126 million. Funding for job training through the **Workforce Innovation and Opportunity Act (WIOA)** is cut by nearly \$74 million, or about 3 percent, at a critical time in the program's implementation. The largest of these cuts were to adult and youth programming under WIOA Title I. For more information on WIOA cuts, see this summary from the [National Skills Coalition](#).

**Head Start** only received a \$35 million increase over FY16 to a total of \$9.2 billion which, [according to](#) Senate Appropriations Committee Ranking Member Barbara Mikulski (D-MD) is not enough to keep up with rising costs and maintain the same number of children in the program. In addition, the **Child Care and Development Block Grant**, the primary source of federal funding for helping low-income families pay for child care, only received a \$25 million increase and is not enough to prevent children and families currently receiving assistance from being cut off next year. The Center for Law and Social Policy (CLASP) estimates a [\\$1.2 billion investment](#) is needed for 2017 to fully implement the changes made to the law when it was reauthorized in 2014 and prevent additional children from losing access to child care. CLASP also recently noted that the number of children receiving child care funded by the Child Care and Development Block Grant (CCDBG) is at a [16-year low](#).

Reports state that **Title I** grants to schools serving low-income students would increase by \$500 million to \$15.4 billion, but this includes \$450 million for school improvements that used to be a separate line item and is now consolidated within the Title I grants program. The **Student Support and Academic Enrichment block grant**, which was created as part of the Every Student Succeeds Act passed in 2015 and [authorized](#) at \$1.6 billion, received \$300 million.

In addition, while the total spending for this bill wasn't drastically lower than current year numbers, the Center on Budget and Policy Priorities [has shown](#) that the Labor-HHS-Ed bill received one of the lowest increases out of all spending bill areas last year. Advocates also fear that a House version of this bill could be much worse, both in terms of ideological riders and funding levels.

For more information, see the [bill report](#) from the Senate Appropriations Committee, the [Republican summary of the bill](#), the [Democratic summary of the bill](#), and this summary from the [National Skills Coalition](#).

[Return to Top](#)

## **Fight over War Spending Comes to a Head in the Senate**

The fight over the Pentagon's war spending account came to a head in the Senate on Thursday, June 9 as the body continued debate on its version of the National Defense Authorization Act (S. 2943). Senate Armed Services Chair John McCain (R-AZ) introduced an amendment that would authorize adding \$18 billion to defense funding through the Pentagon's uncapped Overseas Contingency Operations (OCO) account for additional fighter jets and tanks, maintenance and training, and other purposes outside of the overseas operations in Iraq, Syria and Afghanistan, which is the primary purpose for OCO. Advocates strongly opposed the move, which would not only give the Pentagon billions of dollars it didn't ask for, it would break the spending level caps agreed to in the Bipartisan Budget Act of 2015 and violate the "parity" principle of providing equal relief from sequestration cuts for defense and non-defense programs.

To counter Senator McCain's amendment and restore parity, Senate Armed Services Committee Ranking Member Jack Reed (D-RI) offered an amendment co-sponsored by Ranking Appropriations Committee Member Barbara Mikulski (D-MD) that would authorize an addition \$18 billion to the OCO account for non-defense programs. This funding included, among other things, \$1.9 billion to combat the Zika virus,

\$1.1 billion to address the heroin and opioid crisis, \$1.9 billion for water infrastructure, including a grant to Flint, Michigan, \$3.2 billion for infrastructure and money to fully implement the Individuals with Disabilities Education Act. Both amendments failed to advance on near-party line votes. The Senate is expected to pass its authorization bill early this week. While the authorization bill sets defense policy rather than actually approving spending, advocates fear that if Sen. McCain's amendment were approved, it could translate to actual dollars when the chamber takes up its defense appropriations act. The defense spending bill passed by the Senate Appropriations Committee in May does not include this additional \$18 billion.

However, the House versions of these two bills do include this bump to the Pentagon's base budget. In a similar move, the House Appropriations Committee approved a FY17 defense spending bill that would take nearly \$16 billion from OCO for weapons programs and other uses to supplement the Pentagon's base budget, leaving OCO funded only through April 2017. The House-passed defense authorization bill contains a similar OCO-to-base funding shift for \$18 billion. Reports are that Sen. McCain didn't approve of underfunding the war account, so he choose to try to add the addition money directly to OCO. The full House is expected to take up its appropriations bill this week.

Advocates like those at the National Priorities Project continue to point out that [excessive Pentagon spending](#) takes money away from [human needs programs](#) that could be funded instead.

[Return to Top](#)

## House GOP Releases Poverty Plan

House Speaker Paul Ryan (R-WI) and the House Republican Task Force on Poverty, Opportunity and Upward Mobility released their talking points for fighting poverty on Tuesday, June 7. It was not well-received by advocates or Democrats in Congress, and the *Washington Post's* editorial writers criticized its "[fatal lack of specificity](#)." While sparse on specific policy recommendations, the plan hints at an intention to reduce cash assistance and vaguely favors limiting federal funding through block grants and/or combined funding for multiple programs, which would allow states to change rules in programs such as SNAP, low-income housing assistance, Temporary Assistance for Needy Families, and child care. It also includes a proposal for more state flexibility to set standards similar to the House Child Nutrition Reauthorization bill's three-state block grant proposal for school meals (for more information on this, see the related article in this *Human Needs Report*). According to the [Center on Budget and Policy Priorities](#), the plan appears to call for extending rigid, often unrealistic work requirements to other forms of basic support, particularly rental assistance. These approaches are seen by advocates as likely to increase poverty, not reduce it. While not expected to result in specific legislation this year, Speaker Ryan [said](#) the GOP report is "a legislative agenda for 2017 with a new president."

Advocates noted that the plan did not include specifics on policies that are known to lift people out of poverty, including investing in good jobs, raising the minimum wage, ensuring an adequate safety net, adopting family-friendly work policies such as paid medical leave and predictable hours, and investing in human capital through a sound education system. The plan also does not include expanding the Earned

Income Tax Credit to provide assistance to childless workers and noncustodial parents, a proposal that Speaker Ryan and Democrats have both supported in the past.

Advocates also compared the plan with the budget approved by the House Budget Committee earlier this year, which would cut low- and moderate-income programs by \$3.7 trillion over 10 years, equal to three-fifths of its total cuts, while protecting tax cuts for the wealthy and for corporations. Under that budget, [42 percent](#) of all federal resources for low-income programs would disappear by 2026.

CHN issued a [statement](#) and published a [blog post](#) about the plan and compiled statements and analyses of the plan from affiliates on a [new resource page](#). CHN, along with several cosponsors, will also be hosting an event to discuss what works – and what doesn't – to reduce poverty and expand opportunity on Thursday, June 16, 1-3pm ET. The event will be live-streamed and viewers as well as attendees will have the opportunity to ask questions. All registrants will receive links to related reports and analyses. To register, [click here](#).

[Return to Top](#)

### **Advocates Rally against Provisions in House Child Nutrition Bill**

Advocates led by the Food Research and Action Center (FRAC) rallied on Capitol Hill on Thursday, June 9 against provisions in the House Child Nutrition Reauthorization bill (H.R. 5003) they say are dangerous and misguided. Advocates [were opposed](#) to the bill that was introduced on April 20 because it would weaken the Community Eligibility Provision that allows high-poverty schools to provide free meals to all students, affecting thousands of schools and millions of students. They also opposed the bill because it would increase school meal verification requirements in ways that would cause eligible student to lose access to free or reduced-price school meals, fail to address shortfalls in the summer food program, create barriers to the efficient operation of the Women, Infants and Children (WIC) program and weaken school nutrition standards.

Changes were made to the bill before it was taken up and approved (on a near party-line vote) by the House Education and the Workforce Committee on May 18 that advocates feel made the bill even more harmful. According to [FRAC](#), the bill now contains a three-state block grant proposal for school meal programs which would immediately cut the funding to operate school nutrition programs in those states. This would block a state's ability to respond to increased need or rising program costs. In addition, school meals would no longer have to meet consistent research-based nutrition standards. States could set their own rules for determining which children are eligible for free or reduced-price meals, and there would be no requirement that children have access to both school breakfast and lunch. Advocates are urging members of Congress to reject any proposals to block grant the child nutrition programs and reject the other harmful provisions in the bill that would diminish the ability of child nutrition programs to reduce hunger, improve health and support learning. The poverty plan released by House Speaker Paul Ryan on June 7, covered in another section of this *Human Needs Report*, also supports providing funding to states in exchange for more state flexibility in setting rules for school meals.

It is not clear when the House bill might be taken up on the floor, if it will be at all this year. The Senate Agriculture, Nutrition and Forestry Committee approved its version of the bill in January, but there has been no movement on it since then. For more information, see the [April 25 Human Needs Report](#), [FRAC's analysis](#) of the bill, and [FRAC's statement](#) opposing the House bill.

[Return to Top](#)

### **New Overtime Rule Celebrated**

Major changes to federal overtime regulations announced by the [Department of Labor](#) on May 18 will benefit millions of low- and middle-income workers. Advocates celebrated these changes, which will take effect on December 1 of this year. The updated regulations increase the salary threshold a worker must be paid before they can be considered exempt from overtime pay, from \$23,660 per year to \$47,476 per year. The new rule also automatically updates this salary threshold every three years to account for inflation and provides greater clarity for workers and employers over who is covered. Advocates believe the new rule will be better for the economy and may create new jobs, in addition to giving millions of workers more money and/or more free time.

In response, the House Committee on Education and the Workforce held a hearing on June 9 where they heard from several witnesses opposed to the rule. The Democratic witness, Jared Bernstein from the Center on Budget and Policy Priorities, had [previously called](#) the rules the Obama Administration's "most significant action on behalf of middle-class paychecks." The Economic Policy Institute also put out [a piece](#) dispelling the myth that nonprofits will be harmed by the changes. For more information and additional resources from affiliates, see [this post](#) on CHN's blog, Voices for Human Needs.

[Return to Top](#)

### **Senate and House to Work out Differences on Zika Funding**

On June 8, the Senate agreed (by voice vote) to meet with the House in formal negotiations, known as conferencing, over funding to respond to the Zika virus. The Senate passed a \$1.1 billion spending package in May which it attached as an amendment to an FY17 appropriations package covering several federal agencies. The Senate package was passed as an emergency supplemental, meaning it does not require offsetting cuts. The House, however, passed a Zika proposal that would only provide \$622 million through September 30 and would require offsets to pay for it. After [requesting \\$1.9 billion](#) in emergency funding in February, the White House previously announced that \$589 million would be redirected from Ebola funding to fight the Zika virus until additional money was appropriated. The Administration is still calling for \$1.9 billion to be appropriated to respond to Zika.

Members of Congress from both sides of the aisle say they'd like to get a package to President Obama by the end of June, as both chambers are currently scheduled to leave town July 15 for seven weeks. However, with the major differences in the two packages, the path forward is not yet clear. As CHN [previously noted](#), 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.

[Return to Top](#)