



COALITION ON HUMAN NEEDS

The Human Needs Report

July 18, 2016

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Appropriations on Hold as Congress Starts Summer Recess

Members of Congress left DC last Thursday, July 14 to start their seven-week summer recess – the longest summer vacation Congress has taken in 60 years – freeing them up to attend the Republican and Democratic national conventions and for their own campaigning. Before leaving, however, they were already looking past the summer to the fall and acknowledging the breakdown of the appropriations

process that has become more evident in the last few weeks. Twelve spending bills are required to keep the government operating; to date, the House and Senate Appropriations Committees have each passed its own version of all 12 bills, but only five have been passed by the full House and only three by the full Senate. None has been enacted into law. With Congress set to be out until after the Labor Day weekend, a temporary stopgap funding measure will be needed to keep the government funded after the fiscal year ends on September 30.

Talk of what that measure might look like has already begun. Conservatives in the House and some top Republicans in the Senate are calling for a 6-month stop-gap funding piece, known as a Continuing Resolution or CR, that would mostly keep FY16 funding levels in place, avoid a lame duck appropriations fight, and allow a new Congress and new president to be part of FY17 negotiations next year. Appropriators in both chambers and most Democrats are opposed to that plan and instead prefer to do a shorter-term CR to buy time to hash out an omnibus, or combined spending measure, for the new fiscal year. An omnibus would allow Congress to make changes in funding levels for programs and would last for the rest of the fiscal year, giving federal agencies more ability to plan based on evolving needs. Others, however, note that a CR is less likely to contain contentious policy changes or poison pill 'riders' than an omnibus. House Speaker Paul Ryan (R-WI) had initially called for a meeting of the House Republican caucus for Thursday, July 14 to discuss these options, but the meeting was cancelled, another sign that the majority party is unable to come to agreement on spending strategy.

As part of its unfinished work on appropriations, the Senate failed to advance a bill to provide funding to fight the Zika virus. For more on this, see the related article in this *Human Needs Report*. For more information on all things budget, see our [FY17 budget resource page](#) and our [June 27 Human Needs Report](#).

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House Appropriations Committee Approves Labor-HHS-Education Bill

On Thursday, July 14, the House Appropriations Committee passed (31-19) the [FY17 Labor, Health and Human Services and Education](#) (Labor-HHS-Ed) appropriations bill, the largest of the 12 annual spending bills. According to a [summary](#) released by the Appropriations Committee majority, the measure would provide \$161.6 billion in discretionary (annually appropriated) funding, \$569 million (0.3 percent) below FY16 levels and \$2.8 billion below President Obama's request. The Department of Labor would receive \$12.0 billion, \$138 million below FY16 and \$765 below President Obama's request. The Department of Health and Human Services would receive \$73.2 billion, a \$2.6 billion increase over current year spending and \$3.5 billion above the President's request. The Department of Education would receive \$67 billion, a \$1.3 billion cut from current levels and \$2.4 billion below the President's request.

Reactions from advocates were mostly negative. While the overall funding level for the bill is less than the Senate's \$163.8 billion (including a \$1.96 billion increase in "cap adjustment funding," allowed to invest in reduction of improper payments in Medicare, Medicaid and Social Security), the House bill provided less of an increase to the National Institutes of Health (\$1.25 billion in the House versus \$2 billion in the Senate), which advocates hoped would mean more money for low-income programs.

The bill includes \$500 million for new grants to states to combat **opioid abuse**, a \$500 million (3.9 percent) increase over FY16 levels for **Special Education IDEA** grants to states to support education for children with disabilities, a \$100 million (2.9 percent) increase for Low-Income Home Energy Assistance (LIHEAP), and \$300 million for a **new infectious disease rapid response reserve fund**. Although the idea of a reserve fund to enable quick action on new infectious disease threats is promising, it falls far short of the \$1.9 billion sought by the President for Zika alone. The **Head Start** program received an increase of \$141.6 million and the **Child Care and Development Block Grant (CCDBG)** was increased by \$40 million. However, due to improvements Congress recently authorized in Head Start and CCDBG, the funding provided is not sufficient to continue to serve the same number of children—in fact, according to a [statement](#) from Rep. Rosa DeLauro (D-CT), 125,000 Head Start slots will be lost at the bill's funding level.

Advocates were pleased that the House bill funds **Workforce Innovation and Opportunity Act (WIOA)** Title I Adult and Youth programming at current FY2016 levels, whereas the Senate bill cut those programs by \$33.5 million and \$35.4 million respectively. The House version would also increase the **state dislocated worker formula grant** by \$20 million relative to current funding levels, but makes cuts of nearly \$90 million to the dislocated worker national reserve.

The few gains in the bill didn't outweigh the losses, however. The House bill eliminates funding for **Apprenticeship Grants**, included in the FY16 bill at \$90 million and in the FY17 Senate Labor-HHS bill at \$100 million. It does not include the restoration of **year-round Pell grants** that was included in the Senate bill, and makes a cut of approximately \$1.3 billion in funding to the overall **Pell program**, reducing the overall amount of Pell funding available for future years. Rep. Lucille Roybal-Allard (D-CA) introduced an amendment that would reinstate year-round Pell, consistent with the Senate's Labor-HHS bill, but it was defeated along party lines. The **Teacher Quality State Grants** program was cut by \$400 million. The bill also cuts the operating budget for **Medicare** by \$881 million, and cuts the operating budget for **Social Security** by \$264 million, which would worsen the already long waits for services for the increasing number of retirees.

The bill also contains many partisan riders opposed by Democrats, including provisions that would defund the **Affordable Care Act**, block implementation of the Department of Labor's updated **overtime rule**, halt the National Labor Relations Board rule on **union elections**, and prevent the Centers on Disease Control and Prevention from **funding gun violence prevention research**. Democrats on the committee offered amendments to override each of these provisions, but they were all defeated.

For more information, see the [bill report](#) from the House Appropriations Committee, the [Republican summary of the bill](#), and this summary from the [National Skills Coalition](#). For information about the Senate Labor-H bill, see the [June 13 Human Needs Report](#).

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Congress Fails to Act on Bills to Help Communities of Color and Other Vulnerable Populations

Despite calls from advocates urging Congress to act on several bills to prevent disproportionate harm to communities of color and other vulnerable populations before leaving town for the summer, members

of Congress failed to do so. Advocates, including CHN, had called on Congress to take three important steps: provide funding to stop children from being poisoned by lead contamination in water and from lead-based paint, provide adequate funding for Zika prevention, and enact criminal sentencing reform. All of these issues have been debated at length and have bipartisan support.

The Senate did vote on July 14 for the second time on a bill to provide some funding for Zika prevention. However, the proposed bill, which was attached to the FY17 Military Construction-Veterans Affairs conference spending bill, contained \$750 million in offsetting cuts, including money slated for fighting the Ebola virus, Affordable Care Act health exchanges for territories, and administrative funding for the Department of Health and Human Services, which Democrats opposed. It also contained language Democrats saw as attacks on clean water laws and restricting funding for Planned Parenthood clinics providing women's health care services. In Puerto Rico, grappling with the first U.S. cases of Zika, Planned Parenthood clinics are the only source of health care available for many women. Thus, Senate Democrats blocked the bill (52-44, with 60 votes needed to advance), which was a compromise between House and Senate Republicans. Senate Dems had voted down this bill once before on June 28, insisting Congress instead send President Obama the Zika bill previously passed in the Senate that did not contain offsets or the objectionable language. The White House [requested \\$1.9 billion](#) in emergency funding back in February, and White House Office of Management and Budget Director Shaun Donovan joined Health and Human Services Secretary Sylvia Burwell in sending a [letter](#) to Senate Majority Leader Mitch McConnell on July 12 urging Senate action before the summer recess. 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. According to the Centers for Disease Control and Prevention, more than 4,200 people already have been infected with the Zika virus in the U.S. and its territories, including 649 pregnant women.

Congress took no additional action on the Water Resources Development Act (S. 2848), which includes funding to clean up lead contamination in Flint, Michigan and elsewhere, nor on the Sentencing Reform and Corrections Act of 2015 (S. 2123), which would reduce sentences for many of those convicted of drug offenses – who are disproportionately African American, Latino, and low income. Congress has also yet to act to protect children and families from lead paint and dust in housing, which along with lead-contaminated water, also disproportionately affects low-income families.

In one minor victory, the Senate on July 13 passed (92-2) the final version of compromise legislation creating federal grant programs to combat prescription opioid and heroine abuse. Having already passed the House, the bill will go to President Obama, who is expected to sign it. The bill establishes grants to help states expand programs for prevention and treatment of drug abuse, allows the funds to be used for treatment alternatives to incarceration for parents whose children would end up in foster care, and makes it easier for states to provide access to naloxone, an overdose-reversal drug. While the bill authorizes \$261 million to create new grant programs in the Department of Justice and Department of Health and Human Services, it does not actually provide any money for these programs. Democrats and the Obama Administration have sought as much as \$920 million in emergency funding to fight the opioid crisis, and the White House said in a [statement](#) that although the President will sign the bill “because some action is better than none, he won't stop fighting to secure the resources this public health crisis demands.” Republicans in both chambers objected to providing emergency funding, saying that funding should instead go through the regular appropriations process, meaning most of these new

programs won't receive any funding until a spending measure is passed that contains new money for them. When that will happen is unclear, but given the status of the appropriations process in Congress, it won't be anytime soon.

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Improvements to Housing Assistance Programs Head to President

In a win for low-income advocates and a rare act of overwhelming bipartisanship, the Senate on July 14 unanimously passed a bill that will make federal housing assistance programs more efficient and effective, improving lives for low-income families. The Housing Opportunities through Modernization Act (H.R. 3700) will update and streamline rental assistance programs to help expand access to higher-opportunity neighborhoods, address homelessness, support renovation of public housing, strengthen work incentives, ease administrative burdens and trim program costs. As the bill passed the House with unanimous support in February, the bill now heads to President Obama's desk for his signature; it will be the first time a major piece of authorizing legislation affecting vouchers and public housing has been enacted since 1998.

The bill improves low-income families' access to areas with low poverty and crime and high-performing schools by enabling state and local housing agencies to use project-based vouchers where it is difficult to use tenant-based vouchers. (Project-based vouchers are rent subsidies attached to specific housing units; tenant-based vouchers are provided directly to households, which then look for apartments that will accept them.) While most able-bodied recipients of rental assistance already work, the bill improves work incentives by delaying rent increases for families when their earnings rise. It also strengthens voucher assistance for former foster children, who face a high risk of homelessness.

In addition to providing common-sense changes to public housing and rental assistance that will improve residents' quality of life, the Congressional Budget Office estimated that the bill would reduce program costs by \$311 million over five years. This savings means that more families could be helped with the existing level of funding. Senators Tim Scott (R-SC), Bob Menendez (D-NJ), Chris Coons (D-DE) and Roy Blunt (R-MO) championed the bill.

For more information on H.R. 3700, see [this resource page from the Center on Budget and Policy Priorities](#), [this piece from the National Low Income Housing Coalition](#), and the [March 14 Human Needs Report](#).

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Rule Proposed to Curtail Payday Loan Debt Trap

On June 2, the Consumer Financial Protection Bureau (CFPB) released [a new proposed rule](#) to address payday, car title, and certain high-cost installment loans. These loans, which target low-wage workers and communities of color, too often trap low-income Americans in a cycle of debt and dramatically

increase the likelihood of bankruptcy and delinquency on other bills. Payday and car title loans, on average, carry interest rates of more than 300 percent. According to the [CFPB](#), the proposed rule would require lenders to determine whether borrowers can afford to pay back their loans, based on income and expenses, before making the loan, known as the ability-to-repay requirement.

While advocates applaud the move by the CFPB to rein in payday and car title loans, many caution that the proposed rule does not go far enough and contains loopholes pushed for by payday lenders. According to the [Stop the Payday Loan Debt Trap Coalition](#) (of which CHN is a member), the proposal exempts six high-cost payday loans from the ability-to-repay requirement, and its protections against flipping of short-term loans are weak. They note that the proposal doesn't go far enough to ensure that, after repaying the loan, the borrower will have enough money left to cover basic living expenses without reborrowing. In addition, the proposal requires only that the lender not have default rates above those of other payday lenders. The Stop the Debt Trap Coalition is encouraging advocates to [submit comments](#) to the CFPB before September 14, urging the agency to close these loopholes to protect low-income Americans.

The CFPB is expected to consider the comments and issue a final rule in 2017. For more information, visit [Americans for Financial Reform](#), and see [this post](#) on CHN's blog.

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Anti-Sanctuary Cities Bill Falls in the Senate

Advocates cheered a July 6 vote by the Senate that stopped the Stop Dangerous Sanctuary Cities Act from advancing. The vote was [53-44](#), but the bill needed 60 votes to clear a procedural hurdle and move forward. The bill, which was sponsored by Senator Patrick Toomey (R-PA), would take away funding, including Community Development Block Grant and Economic Development Act funds that are critical to low-income housing programs and many other community needs, from states and localities that have chosen to limit local police involvement in immigration enforcement. Many [immigration](#), [civil rights](#) and [housing and community development](#) organizations opposed the bill. The White House also issued a [veto threat](#) of the bill, saying the bill would “deny funding for cities to...provide vital public services, including meals to the elderly and affordable child care for low-income, working families” while also leading to “mistrust between communities and State and local law enforcement agencies.” Senator Mark Kirk (IL) was the only Republican to vote against this bill, while Senators Joe Donnelly (IN) and Joe Manchin (WV) were the only two Democrats who voted to advance the bill. The Senate [rejected](#) a similar bill sponsored by Senator David Vitter (R-LA) last October.

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