

The Human Needs Report

December 6, 2016

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The Trump Administration Takes Shape, but Cabinet Picks Worry Many Advocates

In the month since the historic 2016 presidential election, President-elect Trump has begun shaping his Administration and working with Republican leaders to outline the party's priorities for the new Congress. One part of this process involves nominating members of President-elect Trump's cabinet, including several nominees who are opposed by human needs advocates.

Many advocate groups have opposed the nomination of Sen. Jeff Sessions (R-AL) to be Attorney General. A <u>press release</u> from the Leadership Conference on Civil and Human Rights (of which CHN is a member) cites Sen. Sessions' hostility to voting rights during his time as U.S. Attorney and his "long record of obstructing civil rights." They note that the Senate Judiciary Committee rejected Sen. Sessions' nomination for a federal judgeship in 1986 because of his "established pattern of bigotry." The National Council of La Raza (a member of CHN) said in a <u>statement</u> that Sen. Sessions "has been a staunch opponent of progress for historically disenfranchised groups, whether it's Blacks, Latinos, LGBT Americans, or women."

Many advocates are also opposing President-elect Trump's pick of House Budget Committee Chair Tom Price (R-GA) to be the Secretary of the Department of Health and Human Services. Price is an unwavering opponent of the Affordable Care Act and has authored legislation that could serve as a blueprint for Republicans' replacement for the ACA. According to the *Washington Post*, Price is also a proponent of overhauling Medicare and Medicaid, ending their open-ended structures and reducing their funding and coverage. He favors turning Medicare into "premium support" payments or vouchers. The Center on Budget and Policy Priorities <u>reported</u> that Rep. Price's budget plan released last spring would convert Medicaid into a block grant and repeal the ACA Medicaid expansion, likely leaving tens of millions of Americans uninsured or underinsured. MomsRising said in a <u>statement</u> that, "Price's stated goal is to kick nearly 20 million Americans off health care coverage and force people with pre-existing conditions into an expensive and unnecessary fight for their lives, all of which hurts our economy and families." Rep. Price has also proposed eliminating the Social Services Block Grant and the Head Start program in the past.

President-elect Trump also tapped Dr. Ben Carson to be the head of the Department of Housing and Urban Development. The National Low Income Housing Coalition <u>called</u> Dr. Carson's nomination "surprising and concerning, given his lack of experience with or knowledge of the programs he would oversee," adding, "The little that we do know about Dr. Carson's position on affordable housing is a reason for concern."

The National Education Association (a member of CHN) released a <u>statement</u> opposing the nomination of Betsy DeVos as Secretary of Education, saying DeVos, as a strong proponent of school vouchers "supports failed education policies that hurt students." The National Council of Jewish Women (a member of CHN) opposed the appointment of Stephen Bannon to the non-cabinet position of chief strategist, saying in a <u>release</u> that Bannon "roused a large portion of Trump's base with a hateful mix of conspiracy theories, bigotry, misogyny, racism and homophobia."

President-elect Trump has also nominated Elaine Chao, former Labor Secretary under President George W. Bush and wife of Senate Majority Leader Mitch McConnell (R-KY), to be Secretary of Transportation, South Carolina Governor Nikki Haley for the position of U.N. Ambassador, former Goldman Sachs executive and current hedge fund CEO Steve Mnuchin to be Treasury Secretary, and Wilbur Ross to be Commerce Secretary. Mnuchin recently <u>promised</u> "the largest tax change since Reagan" if confirmed, referring to huge tax cuts for businesses and the wealthy enacted under President Reagan in 1986. All

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Congress Poised to Pass Stopgap Spending Measure through Spring 2017

With the Republicans set to control both chambers of Congress and the White House come January, Republican leaders in Congress are poised to pass another stopgap spending bill to keep the government funded when the current stopgap measure runs out on December 9. The new short-term spending bill, known as a Continuing Resolution or CR, will fund annually-appropriated programs likely through April 28, 2017. The Senate's predicted packed schedule in the spring led some to push for the CR to extend through April. Passing another CR will allow the Republicans to avoid having to negotiate with Democrats in Congress and President Obama in the lame duck session and allow President-elect Trump to have input in FY17 spending plans.

While the CR will mostly keep FY16 funding levels in place, it will contain so-called 'anomalies,' or adjustments to funding levels. The Obama Administration, for example, has requested additional funding for defense and war spending, refugee resettlement, and preparations for the 2017 summer meal program benefitting low-income students. It has also asked Congress to delay an across-the-board cut of \$1.6 billion to domestic/international discretionary programs that would kick in automatically during the term of the new CR because spending has exceeded budget caps. Instead, the Administration proposes waiting until full-year funding is determined. In addition, advocates have been urging members of Congress to include funding for Flint, Michigan and other communities hurt by leadcontaminated water. Reports state that money for Flint will be authorized in the Water Resources Development Act that Congress is scheduled to pass this week and will be funded through the CR. Unfortunately, however, while the Flint aid package that previously passed in the Senate totaled \$220 million, the House CR is only expected to appropriate \$170 million, which is the funding previously they previously approved. Since the Senate will only have one day to agree to the CR, the prospects for negotiating the funding back up seem unpromising. CQ reports that estimates for the cost of replacing Flint's water pipelines range from \$300 million to \$700 million or more. Funding for hurricane and flood victims may also be included.

Advocates are concerned that the Obama Administration did not request additional funding for HUD-related housing assistance vouchers and other programs. As rents increase, a lack of additional money will hurt HUD's ability to continue funding existing vouchers, like those through the Section 8 programs. The Center on Budget and Policy Priorities <u>estimates</u> that a failure to increase the funding will deny vouchers to 100,000 families, a loss worse than the sequestration cuts in 2013. Democrats, the Obama Administration and advocates continue to insist that any increase in defense spending in the CR be matched by an equal increase in nondefense spending, a principle known as parity that was included in the bipartisan budget deal passed last year. They also insist that the CR not contain contentious policy changes known as 'riders.' CHN will continue to closely track and report on the spending package.

Many advocates and some elected and government officials (including some Republicans) have urged Congress to instead pass a combined spending package that would cover the rest of the fiscal year, allow Congress to make changes in funding levels for programs, and give federal agencies more ability to plan ahead and start new projects. 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 four by the full Senate. Only one, the Military Construction and Veterans Affairs appropriations bill, has been signed into law, as it was included with the current CR passed in late September.

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What to Look for Coming from the New Congress and President-Elect Trump

Republican leaders in Congress have suggested that they will take quick action shortly after their January swearing-in to repeal the Affordable Care Act, including its Medicaid expansion. In order to achieve this, they plan to belatedly approve a joint House-Senate budget resolution for the current fiscal year. That budget resolution will allow them to use a special legislative procedure known as reconciliation, which limits debate in the Senate, enabling certain bills to pass with only a simple majority. Only needing 51 votes instead of the more typical 60 vote supermajority makes enacting parts of the Republican agenda more likely. For more information on reconciliation, see this blog and this backgrounder from CBPP.

After passing the FY17 budget resolution early in January with reconciliation instructions that will allow them to pass legislation repealing the Affordable Care Act and the Medicaid expansion provision, they expect to take up repeal with no details about its replacement. Repeal would not take place right away, but would take effect 18 months to two years after the bill is enacted. They could then pass an FY18 budget resolution in the spring, after President Trump releases his FY18 budget proposal, followed by another reconciliation bill in the fall that could include proposals to turn Medicaid into a block grant (similar to the legislation crafted by Rep. Tom Price; see the related article in this *Human Needs Report* for more information on this). There could also be cuts and structural changes to SNAP/food stamps, a package of corporate and/or tax cuts for upper income individuals, an infrastructure package and another round of cuts to domestic discretionary programs likely to be disproportionately felt by lowincome Americans.

Advocates are being reminded that while specific budget proposals from a Trump Administration and the new Congress aren't yet known for certain, we do know what House Republican budgets have looked like in the past. The House Republican FY17 budget proposal, for example, threatened low-income Americans with the most severe budget cuts in modern history. Overall, the plan proposed getting 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 would have also turned SNAP/food stamps into a block grant, estimated to cut well over \$100 billion and which would inescapably lead to cuts in benefits and/or other harsh programmatic changes.

For more on what to expect in policy changes from the Trump Administration and the new Congress in 2017, see CHN's <u>Washington 2017 resource page</u>, which is being updated regularly. For more information, <u>register</u> for **The New Congress: How it Plans to Cut...And How to Fight Back**, a webinar on December 16 at 12pm ET that will go into more detail on these and other upcoming challenges.

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Federal Judge Blocks Overtime Rule Set to Help Millions of Workers; Other Regulations May be Overturned by "Midnight Rules" Act

On November 22, a federal judge in Texas <u>blocked</u> overtime protections scheduled to take effect December 1. Finalized in May by the Department of Labor and seen as a top regulatory win of the Obama Administration, the overtime rule would benefit 4.2 million low- and middle-income workers who would either gain new overtime protections, get a raise to the new salary threshold, or have more free time. 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 Justice Department announced on December 1 that it will file an appeal of the judge's order.

Republicans in Congress and new Trump Administration, however, seem bent on overturning the rule; business groups and 21 state attorneys general challenged the rule in court, which led to the recent judge's order. While the judge's action is only a temporary halting, it could allow for the court proceedings to drag on until after President-elect Trump's inauguration, at which point he could drop the defense of the rule and kill the new overtime protections. Advocates like those at the National Employment Law Project <u>said</u> they believed that "the judge's analysis and decision are deeply flawed and should be reversed on appeal." For more information on the overtime rule, see the <u>June 13 Human Needs Report</u> and this post on CHN's blog, *Voices for Human Needs*.

Even if the judge hadn't blocked the new rule from taking effect, it was already considered part of a group of regulations targeted by Republicans in Congress and the new Trump Administration for the potential chopping block. Enacted 20 years ago with the help of then-House Speaker Newt Gingrich, the Congressional Review Act gives Congress 60 legislative days to review and override major regulations enacted by federal agencies, with only a simple majority vote in the Senate. With Congress's schedule, this means regulations adopted since late May or early June – more than 150 rules according to the New York Times – could be potentially vulnerable. The law, if used to override regulations, also prevents agencies from enacting similar regulations again in the future unless specifically authorized by a subsequent law.

In addition, the House on November 18 passed the Midnight Rules Act (<u>H.R. 5982</u>), which amends the Congressional Review Act to make this overriding process easier. The Midnight Rules Act, which can only be used at the end of a President's term, would allow Congress to override multiple regulations at once rather than considering them one at a time. Advocates fear that multiple regulations that help low-income and other disadvantaged populations, including a requirement that employees of federal

contractors be allowed to earn <u>paid sick days</u>, consumer protections on prepaid debit cards and environmental protections could be at risk.

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