



COALITION ON HUMAN NEEDS

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Senate GOP Push Repeal Bill Vote this Week

It's been a busy few weeks in the world of health care. Advocates breathed a quick sigh of relief last week when four GOP senators – Sens. Collins (ME), Paul (KY), Moran (KS), and Lee (UT) – said they would vote against beginning debate on a bill spearheaded by Majority Leader Mitch McConnell to repeal the Affordable Care Act and replace it with legislation that would leave [22 million](#) more Americans without health insurance. After Sens. Collins (ME), Capito (WV), Murkowski (AK), and other senators also said on July 18 they would vote against moving forward on a bill to repeal the ACA without a replacement plan in place, which the nonpartisan Congressional Budget Office [said](#) would result 32 million more people uninsured by 2026, the GOP's efforts to kill former-President Obama's signature legislation seemed for a moment to be dead. Prodded on by President Trump, however, Senate leadership continue to try to revive their repeal and replace bill, and a vote on one of these bills could take place in the Senate as early as Tuesday, July 25. Senate leaders are using a special process known as reconciliation where only 51 votes are needed to move a bill, but it is unclear if they can meet this threshold or even which bill they would be taking up.

The CBO analysis of the Senate GOP's latest edition of their repeal and replace bill – which also includes \$756 billion in cuts to Medicaid – did not include an amendment proposed by Sen. Ted Cruz (R-TX) that would allow insurance companies to offer plans with skimpy coverage that aren't allowed under the ACA, as long as they also offer at least one plan that meets ACA coverage requirements. Advocates fear this amendment would wipe away protections for people with pre-existing conditions and cause premiums to spike for sick people.

In an effort to win over some of the 'no' votes of senators from states that expanded Medicaid under the ACA, Senate leaders reportedly [offered](#) to add \$200 billion to the bill to supplement private coverage for those who gained Medicaid coverage under the expansion but would lose it under the Senate bill. But the Center on Budget and Policy Priorities [showed](#) that \$200 billion is only 17 percent of the bill's \$1.2 trillion in cuts: \$756 billion from Medicaid and \$427 billion from subsidies to help low- and moderate-income people buy coverage in the individual market. They also [showed](#) how a repeal bill without a replacement plan would be even more harmful.

Another hurdle to passage came on Friday, July 21 when the Senate parliamentarian ruled that several parts of the Senate 'repeal and replace' bill would violate the chamber's so-called Byrd rule. Named after former Senator Robert Byrd (D-WV), the rule states that legislation moved under the reconciliation process can only include changes to laws that directly affect the federal budget and can be scored by the Congressional Budget Office. Among the key provisions the parliamentarian ruled against include provisions that would: impose a six-month "lockout" period from purchasing insurance for people who had gone without insurance for more than 63 days, defund Planned Parenthood, and fund the cost-sharing reduction subsidies insurers rely on to keep premiums and deductibles low, as well as certain state-specific provisions. These provisions would therefore have to be stripped from the bill, unless there were 60 votes to overturn the ruling of the parliamentarian, exceedingly unlikely since that would require votes from Democratic senators. The Senate Budget Committee Minority Staff released [a document](#) with an outline of all of the provisions that meet and don't meet the Byrd rule according to the parliamentarian, as well as those still under review. The parliamentarian did not rule on the Cruz amendment mentioned above, but did rule that provisions allowing states to impose work requirements on certain Medicaid enrollees and one that would repeal cost-sharing subsidies beginning in 2020 would be allowed under the Byrd rule. A provision to allow states to receive Medicaid funding in the form of a block grant is still under review. According to [the Atlantic](#), Vice President Mike Pence, as the presiding officer of the Senate, could choose to overrule the parliamentarian, although this hasn't been attempted for more than 40 years.

The Trump Administration [announced](#) on July 19 that it would make July payments to insurers for helping lower-income people afford some out-of-pocket costs. It did not say anything about the future of these payments, known as cost-sharing reductions. Many believe that a failure by the administration to continue these payments would lead to more insurers pulling out of the exchanges, increased premiums, and more instability in the marketplaces.

Advocates continued calls to their senators throughout the weekend to reiterate their hopes that senators reject efforts to repeal the ACA and end Medicaid as we know it, and instead work on a

bipartisan approach to strengthening insurance markets, affordability and the health care system overall.

For more information, see the [Protect Our Care Coalition](#) website, [these blogs](#), and the [June 12 Human Needs Report](#).

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House Budget Committee Passes FY18 Budget

The House Budget Committee passed the FY18 budget proposal put forth by the GOP (22-14, along party lines) on July 19. The blueprint sets limits on discretionary (annually appropriated) spending at \$621.5 billion for Department of Defense programs, which is \$72 billion more than current law allows for FY18 and more than \$19 billion more than President Trump requested. On the other hand, it sets spending limits for nondefense discretionary programs at \$511 billion for FY18, \$5 billion lower than the already-austere sequester funding level allowed by current law.

According to in-depth analysis from the [Center on Budget and Policy Priorities](#), the House budget plan would cut \$4.4 trillion over 10 years from entitlement programs, including cuts to Medicaid and Medicare, income assistance for working poor families, [basic food assistance](#), and college tuition assistance. In addition to these harsh cuts, the framework also calls for \$1.3 trillion in cuts over 10 years from nondefense discretionary (NDD) programs. NDD includes many important human needs programs like job training and education, environmental protection, housing and public services. As CHN has previously shown, human needs programs have faced [shrinking funding](#) since 2010. Under the House plan, NDD funding would fall further — to 17 percent below the inflation-adjusted 2010 level next year and, by 2027, to 44 percent below 2010, equating to [a historic low](#). In contrast, the budget blueprint would increase Pentagon funding by nearly \$1 trillion over the next decade.

The House GOP budget also includes special rules known as [reconciliation](#) instructions that would direct 11 committees to cut at least \$203 billion from programs including Medicaid, [SNAP/food stamps](#) and Temporary Assistance for Needy Families. Reconciliation instructions are also included to pave the way for huge tax cuts that are “deficit neutral” (rather than “revenue neutral”), meaning that tax cuts can be offset, or paid for, with cuts to entitlement programs that help low- and moderate-income people. Using the reconciliation process allows Republicans to pass both tax cuts and cuts to entitlement programs with only a simple majority in the Senate. For more information on what’s in the House GOP budget, see [this blog](#) from the National Women’s Law Center.

CQ reported that when the House Budget Committee took up the proposal, 28 amendments were offered by Democrats; all of them were rejected. The budget is not expected to be taken up by the full House before Congress leaves for its August recess. While in the past budget resolutions have been approved on the floor with votes exclusively from the majority party, this year divisions among the Republicans make adoption uncertain. Some members of the ultra-right-wing House Freedom Caucus have pushed for even deeper reconciliation cuts to entitlement programs, while moderate Republicans

object to the \$203 billion in reconciliation cuts in the Budget Committee's resolution, and are urging a bipartisan deal to exceed the sequester caps for discretionary spending. No Democrats are expected to support the measure.

Senate GOP leaders are not expected to act on their budget proposal until September. While advocates predict the Senate proposal may contain slightly smaller cuts than the House version, they still anticipate deep cuts and reconciliation instructions to allow tax cuts to pass with only a simple majority. A budget resolution 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. But it is necessary for the House and Senate to agree on a budget resolution in order to proceed with the fast-tracked reconciliation bills. With the trouble the Republican-controlled Congress has had passing a repeal of the Affordable Care Act, many Republicans see the passage of tax cuts as necessary to moving forward with their agenda; that will require House and Senate Republicans to come to agreement on the budget resolution.

On July 11, more than 1,500 groups, led by CHN, sent a [letter](#) to representatives and senators calling on Congress to reject cuts to human needs programs and instead pass a budget that promotes opportunity for all, protects basic living standards, and protects our environment. For more information on budget priorities from a human needs perspective, see [this op-ed](#) from CHN's Debbie Weinstein and [these resources](#) from CHN members.

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FY18 Appropriations Process Underway; House to Vote on Security Spending Package this Week

Appropriations season is underway, but spending bills in the House may be doing nothing more than setting up a showdown this fall with the Senate.

To date, the House Appropriations Committee has passed all 12 spending bills. Floor action in the House is expected to start this week as the chamber takes up a package of four security-related FY18 appropriations bills. The "minibus" spending package consists of the Defense, Energy and Water, Legislative Branch, and Military Construction – Veterans Affairs spending bills. Late last week, House leaders inserted into the Defense bill \$1.6 billion to begin construction of a border wall with Mexico. Passage of the minibus in the House is not certain, as some conservative members wanted the House to vote on a catchall omnibus package that would have combined all 12 spending bills.

Even if the minibus does pass the House, it is likely dead in the Senate, where spending bills require 60 votes for passage. The minibus package also exceeds caps on military spending by \$72 billion. If it were enacted, funding for defense programs would be subject to automatic cuts ("sequestration") to bring the level back down to the cap unless Congress voted to change current law. (The cap is set at \$549 billion for defense discretionary – or annually appropriated – programs; the defense bills passed by the House Appropriations Committee total \$621.5 billion). A bipartisan budget deal is needed to change the law; Democrats have been pushing for such a deal to lift the spending caps for non-defense programs,

and unless one is reached, they could filibuster spending bills in the Senate. Without such a deal, sequestration cuts scheduled to go back into effect for FY18 would require a \$5 billion cut below this year's appropriations totals (\$2 billion from defense and \$3 billion from nondefense discretionary programs). To date, there are no reports that such a bipartisan deal is in the works, meaning the appropriations process could stall before it gets very far down the road.

Advocates found many things to object to in several of the House GOP spending bills. The bill that funds the Departments of Labor, Health and Human Services, and Education, for example, would provide \$5 billion less than current levels for these critical departments. House GOP appropriators have proposed cutting \$3.3 billion from the Pell Grant surplus fund. According to *CQ*, the bill passed along party lines (28-22) after an 11-hour markup. Almost all of the 40 amendments that were proposed were rejected, including amendments by Democrats to restore funding for apprenticeships and teacher training programs slashed and mental health and substance abuse treatment cut in the bill. Summaries of the bill are posted from [the Republicans](#) and from [the Democrats](#). The National Education Association [said](#), if enacted, the bill would “deprive millions of students of opportunities by eliminating funding that will result in nearly 8,500 educators losing their jobs, slashing funding for class-size reduction programs, cutting funding for after-school programs that serve the students most in need, and limiting or eliminating professional development opportunities for nearly 2.5 million educators.”

In the Transportation – Housing and Urban Development bill, which received an overall cut of more than \$1.1 billion compared to current funding levels, Community Development Block Grants were cut by \$100 million, the Choice Neighborhoods program was cut by \$117.5 million, and the Public Housing Capital Fund was cut by \$91.5 million below current levels. Summaries of the bill are posted from [the Republicans](#) and from [the Democrats](#). The National Low Income Housing Coalition [said](#) the bill would “significantly reduce funding for critical affordable housing resources that provide lifelines for extremely low income seniors, people with disabilities, families with children, veterans, and other vulnerable populations.” The Center on Budget and Policy Priorities [said](#) the bill would fail to renew 140,000 Housing Choice Vouchers that are currently used by low-income seniors, people with disabilities and families with children to afford rent. The [topline spending allocations](#) (known as 302(b) allocations) for each of the 12 appropriations subcommittees covering the many different departments in the federal government were proposed by the House Appropriations Committee on July 11 and totaled more than \$1.13 trillion, well above the \$1.065 trillion discretionary spending cap set by law. All of the increases would be for defense spending. These funding limits are usually set by the budget process, but without an adopted budget in place, appropriators made up their own.

According to *CQ*, the Senate Appropriations Committee approved [allocations](#) for its 12 subcommittees on July 20, totaling \$1.07 trillion. The funding limits proposed, the same as the FY17 levels, exceed the sequester caps in current law for FY18 (\$551 billion for defense vs. a cap of \$549 billion; \$518.5 billion for nondefense vs. a cap of \$515.4 billion). Under these allocations, the Labor-HHS-Education bill topline would receive a bump of \$3.04 billion over current levels and the Transportation-HUD bill would be increased \$2.4 billion over FY17 levels. Democrats on the Senate Appropriations Committee offered their [alternative allocations](#) the same day, which would increase both defense and nondefense spending

by \$54 billion above post-sequester caps; this equal increase is known as parity, a principle many Democrats have fought for over many years and one the Obama Administration was committed to. Only three spending bills have been passed by the relevant Senate appropriations subcommittees; all three have passed the full Senate Appropriations Committee as well. Many in D.C. are already predicting that a stopgap spending measure known as a Continuing Resolution will be needed to keep the government operating at current funding levels when the new fiscal year starts October 1.

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CFPB Issues Rule to Help Consumers Fight Back, but Some in Congress Move to Repeal It

Consumer advocates celebrated on July 10 when, after more than five years of studying the problem, the Consumer Financial Protection Bureau (CFPB) finalized a rule to ensure consumers can challenge big banks in court. According to the [Fair Arbitration Now Coalition](#), the arbitration rule prohibits consumer financial services contracts, like those made with banks and lenders, from having forced arbitration clauses that ban class action lawsuits. The rule gives consumers a way to hold corporations accountable and ensures banks cannot cover up or hide illegal behavior.

Advocates insist the CFPB rule is needed because forced arbitration hurts many consumers, including low-income consumers. The vast majority of all payday loan lenders and credit cards use forced arbitration clauses. Without the option to join class action lawsuits, only 25 consumers with claims of less than \$1,000 pursue arbitration annually. In contrast, class action lawsuits returned \$2.2 billion in cash relief to 34 million Americans from 2008-2012. Since it began operations in 2011, the CFPB has returned nearly \$12 billion in refunds and relief to some 17 million Americans cheated by financial or other companies.

But the celebration may be short-lived. On July 20, Senate Banking Committee Chairman Mike Crapo (R-ID), Reps. Blaine Luetkemeyer (R-MO) and Keith Rothfus (R-PA) were joined by dozens of other GOP members of Congress in filing Joint Resolutions of Disapproval in both the House and Senate to repeal the rule using the Congressional Review Act. Under the CRA, Congress has 60 legislative days to review and override certain new regulations enacted by federal agencies, with only a simple majority vote in the Senate and presidential approval. The CRA also prevents agencies from enacting similar regulations again in the future unless specifically authorized by a subsequent law. The House is expected to vote on this repeal on Tuesday, July 25. Based on the current congressional calendar, Congress could have until mid-September to move forward with repeal under the CRA. For more information, see the [Fair Arbitration Now Coalition's](#) website.

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