



# COALITION ON HUMAN NEEDS

## *The Human Needs Report*

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### IN THIS EDITION:

#### BUDGET & APPROPRIATIONS:

[Overnight Shutdown Ends after Budget and Spending Deal is Reached](#)

[President Trump's FY19 Budget Expected Feb. 12](#)

#### IMMIGRATION:

[Immigration Issues in Flux](#)

#### LABOR:

[Work Requirements Threaten Benefit Recipients](#)

[Tipped Workers Could Lose Billions under Proposed Labor Department Rule Change](#)

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### **Overnight Shutdown Ends after Budget and Spending Deal is Reached**

An hours-long government shutdown ended in the early morning hours on Feb. 9 after the House and Senate agreed to pass a stopgap spending bill. This time, Congress was finally able to come to a long-awaited agreement on total funding amounts for FY18 and FY19, with substantial increases in appropriations, including some major gains for human needs programs. With the totals set, Congress now has until March 23 to make the detailed decisions that provide funding for everything from Head Start to Pentagon weapons systems. In addition, the legislation, now signed by the President, includes about \$90 billion in disaster relief for hurricane and wildfire victims, renews many health programs, and includes a new prevention focus for child welfare services.

The short-term Continuing Resolution (CR) was not passed before the previous CR's expiration at midnight on Feb. 8 because Senator Rand Paul (R-KY) refused to join in unanimous consent to speed up the Senate vote. This new CR provides flat funding for most government operations through midnight on March 23. It passed in the Senate (71-28) and the House (240-186). In the House, both parties were split over the bill. With 218 needed for enactment, 167 Republicans and 73 Democrats voted in favor; 67

Republicans and 119 Democrats were opposed. Most of the opposing Republicans objected to the size of the spending increases for domestic programs. Most of the Democrats who voted no had sought to include in this package protection for the Dreamers (see the related article in this issue of the *Human Needs Report*).

A bipartisan budget deal was required to lift the tight spending caps and automatic cuts (also known as sequestration) that were scheduled to go back into effect for FY18 and that would have required a \$5 billion cut below FY17 appropriations totals. The agreed-upon [Bipartisan Budget Act of 2018](#) will increase the caps on discretionary spending by \$296 billion over two years. Defense spending caps will increase by \$80 billion for FY18 and by \$85 billion for FY19. When combined with roughly \$140 billion in war-related funding (over the two years) not subjected to spending caps through the use of the Overseas Contingency Operations fund, the total defense budget will be \$700 billion for FY18 and \$716 billion for FY19 – more than either President Trump or congressional appropriators had asked for for FY18.

On the nondefense side, the spending caps will increase by \$63 billion for FY18 and \$68 billion for FY19, raising the caps to \$579 billion in FY18 and \$597 billion in FY19. Provided for in these increases are a number of priorities advocates have been pushing for. This includes, over the two years: \$6 billion for opioid and mental health treatment services, prevention programs, and law enforcement efforts; \$4 billion for college affordability, including programs that help police officers, teachers, and firefighters; \$5.8 billion for the Child Care and Development Block Grant, which will double its discretionary funding level and increase by [230,000](#) the number of children whose parents can receive child care assistance; \$20 billion for infrastructure (including funding for safe drinking water); \$4 billion for hospitals and clinics for veterans, and \$182 million for the Census Bureau for 2020 Census preparations. Also included in the package are a number of health care provisions, including a 10-year extension of the Children's Health Insurance Program (up from the 6-year renewal passed by Congress last month), a 2-year extension of funding for Community Health Centers, and a 5-year extension funding for the Maternal, Infant and Early Childhood Home Visiting program.

More than \$89 billion in disaster aid for hurricane and wildfire victims is also in the package, which is \$8 billion more than the disaster aid bill the House passed in December. This includes \$4.9 billion in increased Medicaid funding for Puerto Rico and the U.S. Virgin Islands, especially important because it commits the federal government to paying all of the territories' Medicaid costs through the disaster recovery period, and prevents Puerto Rico from running out of Medicaid funds in a matter of weeks. Other disaster relief includes [\\$28 billion](#) in Community Development Block Grant-Disaster Recovery (including \$11 billion to help Puerto Rico rebuild), \$14 million in infrastructure funds to provide relief and assistance to Women, Infants, and Children (WIC) clinics in Puerto Rico and the U.S. Virgin Islands as they rebuild, and \$2.7 billion for rebuilding schools and helping kids displaced by disasters.

The budget deal also provides for a one-year suspension of the debt limit, through March 1, 2019, and extends \$17.4 billion of [expiring business tax breaks](#), including tax breaks for owners of racehorses and NASCAR tracks and for film and television production companies.

According to CQ, only \$100 billion of the spending increases will be paid for with offsetting cuts. One such [offset](#) will come from a more than \$1 billion cut to the Prevention and Public Health Fund created by the Affordable Care Act. The agreement also found savings by selling off some of the Strategic Petroleum Reserve, extending through 2027 annual cuts to Medicare and certain other programs that have been in place since 2011, changes to encourage faster reemployment of the unemployed (some of which may reduce the length of federal unemployment benefits), and ways to transfer funds from the Federal Reserve to the U.S. Treasury's general fund.

Democrats remained firm in their position that the principle of parity must be maintained in a bipartisan budget deal; that is, any additional money given to defense programs should be matched by money for nondefense programs. They say this deal achieved parity, as it eliminated (unequal) sequester cuts for both defense and nondefense programs and provided equal increases of \$26 billion above that relief.

Now that a budget deal has been reached, members of Congress must finally come to agreement on item-by-item spending details, through an "omnibus" spending package that would combine the 12 required appropriations bills covering all government agencies for the rest of the fiscal year in one package. They believe they will achieve this prior to the March 23 deadline set by the current CR. Advocates are ready to oppose possible poison pill riders, or controversial policy changes, that members of Congress may try to add to the omnibus.

[Return to Top](#)

### **President Trump's FY19 Budget Expected Feb. 12**

The Trump administration is expected to release its FY19 budget on Feb. 12. Advocates are worried that it will be similar to the Trump FY18 budget, which called for trillions of dollars of cuts to non-defense programs, including [\\$2.5 trillion](#) in cuts over 10 years to programs serving low- and moderate-income people. Along with slashing SNAP/food stamps, housing assistance, job training programs, afterschool programs, social services, and public and environmental health programs, the Trump FY18 budget eliminated heating and cooling assistance for low-income people and fundamentally changed the Medicaid program. Just two days after the Trump FY19 budget is released, CHN, along with the Center on Budget and Policy Priorities, the Center for American Progress, and the Food Research & Action Center, are hosting a webinar on Feb. 14 at 12:30pm ET on [The Trump Budget: What You Need to Know](#).

The Trump administration's proposal may be the only FY19 budget released by the GOP. Rep. Steve Womack (R-WV), the new chair of the House Budget Committee, has [said](#) he may not take up a budget resolution this year and instead focus on "process reform." While Congress is technically required to adopt a budget resolution, it is a non-binding blueprint that is not signed by the president and does not become law, and the two chambers of Congress often fail to agree on a budget resolution. Failure to pass a FY19 budget does not stop Congress from working on and passing FY19 appropriations bills.

Others have [speculated](#) that the reason Republicans do not want to pass a budget resolution this year is that it will make it easier for them to avoid showing that the tax bill they pushed through Congress in

December won't pay for itself and will raise the federal debt. Failure to adopt a budget resolution, however, would mean Republicans could not use a special process known reconciliation, which allows measures with a budgetary impact (like tax cuts, cuts to entitlement programs, or a repeal of the Affordable Care Act) to be passed in the Senate with only a simple majority instead of the usual 60-vote threshold required in that chamber.

CHN will be producing a special *Human Needs Report* on President Trump's FY19 budget and will be creating a FY19 budget resource page on our website; stay tuned for these developments. Advocates can register for the Feb. 14<sup>th</sup> webinar on the Trump budget [here](#).

[Return to Top](#)

### **Immigration Issues in Flux**

Advocates who had pushed for the inclusion of a legal fix for Dreamers who have benefited from the Deferred Action for Childhood Arrivals (DACA) program were upset that one was not included in the stopgap spending bill passed in the early hours of Feb. 9, and many Democrats in the House voted against the spending package because the DACA fix was left out.

Senate Majority Leader Mitch McConnell (R-KY) previously agreed to take up the DACA issue next week in order to get the support of Democrats on the previous stopgap spending measure. In the Senate, a shell bill that does not include immigration language will be brought up next week and both sides will be allowed to offer alternate proposals through amendments in an open floor debate. In the House, however, no such promise was made. House Speaker Paul D. Ryan (R-WI) has said he would take up an immigration bill only if it had the support of his GOP majority and President Trump. House Minority Leader Nancy Pelosi (D-CA), who gave a record-breaking eight-hour-long speech on the House floor on Feb. 7 in which she read the stories of Dreamers and called for their protection, voted against the spending package on Feb. 9 because Ryan would not make the same commitment to an open floor debate made by McConnell.

President Trump announced in September that he was rescinding the Deferred Action for Childhood Arrivals (DACA) program on March 5. On January 9, a federal judge temporarily [blocked](#) the Trump administration from ending the DACA program if legal challenges are still unresolved. The Department of Justice is [appealing](#) the ruling and has asked the Supreme Court to rule on the case. Currently, 122 Dreamers are being discontinued from DACA each day – more than 15,000 so far.

President Trump and many Republicans have also repeatedly said they want any immigration deal to include increased funding for border security, including a wall along the U.S.-Mexico border, as well as ending the family reunification policy allowing immigrants with legal status to petition to bring relatives to the U.S. Democrats have opposed including money for a border wall in any deal.

In other news, the Supreme Court [agreed](#) on Jan. 19 to review the Trump administration's latest travel ban, which bans people from six majority-Muslim countries. The court is scheduled to hear arguments in April and rule by the end of June.

In another blow to immigrant communities, the Trump administration is [considering](#) new rules that would make it harder for immigrants to come to or stay in the U.S. if they or anyone in their family – including their U.S. citizen children – use any number of public benefits they are legally entitled to, such as SNAP/food stamps or Head Start. A joint [statement](#) from the National Immigration Law Center and the Center for Law and Social Policy said this “dangerous proposal would force families, including citizen children, to choose between getting the help they need – like Head Start, food assistance, medical care, and housing assistance – and obtaining a secure immigration status for themselves or their families.” The proposed rule changes would have to be open to public comment for a period of time and approved by Congress to take effect.

[Return to Top](#)

### **Work Requirements Threaten Benefit Recipients**

Recent decisions and possible future action on adding work requirements to Medicaid, SNAP/food stamps, housing, and other possible programs continue to threaten the access to needed benefits and services for low-income people. Kentucky and Indiana, for example, recently became the first two states allowed by the Trump administration to add work requirements to Medicaid benefits for low-income recipients. Under the accepted state proposals, “able-bodied” working-age adults will be required to work 20 hours a week or participate in other approved activities, such as going to school, in order to be allowed to keep their Medicaid health insurance coverage. According to *CQ*, state officials in Kentucky estimated that these work requirement proposals, also known as waivers, could reduce the number of people receiving Medicaid coverage by more than 95,000 over five years. At least nine other states have applied for similar waivers, and several other states are contemplating this move.

While the proposals claim to exempt those with disabilities, the National Health Law Program (NHLP) [shows](#) that these waivers will, in fact, have a significant detrimental impact on people with disabilities. The Center on Budget and Policy Priorities also released two new pieces showing how Medicaid work requirements will [reduce low-income families' access to care](#) and harm people with [substance use disorders](#). The proposals were allowed after a [shift in policy](#) was laid out by the Trump administration in January. NHLP, along with other organizations, filed a [lawsuit](#) challenging the waivers in Kentucky.

Medicaid isn't the only federal program that may see the addition of work requirements. Speaking at a GOP policy retreat in early February, House Speaker Paul Ryan (R-WI) [reportedly](#) talked about the possibility of adding work requirements to SNAP/food stamp benefits, housing assistance, and other benefits for low-income recipients.

Advocates have long opposed the addition of such work requirements citing, among other reasons, that access to medical care, food, and housing are critical to keeping people healthy, which allows them to

work. The Protect our Care Coalition said in a [statement](#), “[T]he majority of adults covered by Medicaid who can work, do work – often two or three jobs in fields like the service industry that are less likely to offer insurance.” For more information on work requirements, see the [January 11 Human Needs Report](#) and [this blog](#). To learn more about Medicaid waiver proposals being tracked in the states, [click here](#).

[Return to Top](#)

### **Tipped Workers Could Lose Millions under Proposed Labor Department Rule Change**

Advocates for restaurant employees and other tipped workers are speaking out against a proposed rule that would make tips the property of employers, a proposal which opponents fear would lead to significantly less income for workers. The regulation from the Trump administration’s Department of Labor, pushed by the National Restaurant Association, would allow for the confiscation of tips as long as the tipped employees are paid full minimum wage. An Obama administration rule had banned these tip pooling arrangements, but this new proposal would reverse that rule.

An [analysis](#) from the Economic Policy Institute estimates that if the Department of Labor proposal is implemented, employers will pocket \$5.8 billion of employees’ tips every year. It also [came to light](#) on Feb. 1 that an economic analysis compiled by DOL staff also showed that the proposal could potentially result in the loss of billions of dollars for tipped workers, but that this analysis was shelved and that instead the Department of Labor claimed that it “currently lacks data to quantify possible reallocations of tips.” The DOL’s Office of Inspector General is [looking into](#) the matter.

CHN [called](#) on the Labor Department to withdraw the proposed rule and protect tipped workers, and provided [comments](#) opposing the proposal. According to the National Employment Law Project, who has been leading advocates’ efforts on this issue, 350,000 comments were submitted to DOL on its proposal. For more information, see [this blog](#) and [this blog](#) from CHN.

[Return to Top](#)

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**We appreciate your input.** Give us your thoughts on our *Human Needs Report* at [limbery@chn.org](mailto:limbery@chn.org).

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