

The Human Needs Report

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House Could Vote on Spending Cuts Package this Week

The House could take up a package of domestic spending cuts, also known as rescissions, as early as this week. Proposed by the Trump Administration and supported by some in Congress, the cuts total more than \$15 billion, including roughly \$7 billion from the Children's Health Insurance Program (CHIP). The package would cut nearly \$1.9 billion from a CHIP reserve fund that could make it harder for states to respond to rising enrollments in the aftermath of disasters or rising unemployment. According to the National Low Income Housing Coalition, the package includes \$230 million in rescinded funds from housing, rental assistance, and community revitalization efforts that, if passed, would exacerbate the affordable housing crisis in this country. The rescission specifically targets funds for a program that helps improve the outcomes of public housing residents and helps them to gain self-sufficiency. One program that funds Medicare and Medicaid innovations is estimated to save \$3 for every \$1 spent; another would end research on Ebola, even though a new outbreak is reported in the Democratic Republic of Congo. Other unspent funds to be cut or "rescinded" have previously been approved by Congress as part of bipartisan agreements that allow needed increases in health, education, and other important programs. The Congressional Budget Office, Congress's nonpartisan scorekeeper, has said the rescissions plan would reduce the deficit by \$1.3 billion over the next 11 years (the estimate of deficit

reduction is so low because CBO estimates that under current law, much of the money would not be spent). Office of Management and Budget Director Mick Mulvaney has said additional rescissions packages may follow in the coming months.

Once OMB sends a rescissions request to Congress, Congress has 45 days to vote on all of it, part of it, or none of it, and rescissions can be passed with a simple majority in both chambers. According to *CQ*, even without congressional action, the funding proposed in the request is frozen for 45 days. And because the days are counted when Congress is in session, funds proposed for cancellation could be blocked for months, especially considering the congressional calendar in an election year. However, Congress can reject the rescissions sooner, and, if Congress takes no action to approve the rescissions, funding is reinstated at the end of the 45 legislative day period.

Advocates oppose the rescissions not only because of the bad cuts to housing, health, and other programs, but because they believe the loss of these dollars will make it harder to provide adequate funding levels for human needs priorities in FY19 and beyond. Funds that are genuinely not needed have been the source for increases in other domestic programs; if these funds become unavailable, such increases cannot occur. More than 150 national organizations joined CHN in sending a <u>letter</u> to Congress opposing the cuts. While many human needs programs received funding increases in FY18 over FY17 levels, new <u>research</u> by CHN found that <u>nearly 70 percent</u> of more than 181 important human needs programs tracked have lost ground since FY 2010 after adjusting for inflation. This and future rescissions packages, if approved, would prevent continuing the progress made this year in restoring adequate funding levels for these programs. The rescissions package would also set a dangerous precedent for undoing bipartisan spending decisions. For more information, see CHN's <u>statement</u> on the rescissions package.

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FY19 Spending Season is Underway

Fiscal Year 2019 spending season is underway, with appropriations work taking place in both chambers. Below are just a few of the highlights and lowlights from some of the bills that have moved so far:

• The House Commerce-Justice-Science bill, passed by the full House Appropriations Committee on May 17, adds 100 new immigration judges and staff to address the backlog of deportation cases. According to *CQ*, the committee a series of Democratic amendments related to immigration, the border wall and gun control were rejected. The committee also rejected an amendment from Rep. José Serrano (D-NY) to prohibit spending funds on a Census that includes a question about citizenship; advocates fear such a question could reduce response rates in immigrant communities, and adding an untested question so late in the process is strongly opposed by census experts. The bill includes a funding boost to help the Census Bureau prepare for the 2020 Census. For more on the 2020 Census, see the related article in this *Human Needs Report*.

- According to the National WIC Association (NWA), the House Agriculture spending bill, passed by the House Appropriations Committee on May 16, would provide \$6 billion for the Women, Infants and Children (WIC) nutrition program with a rescission of \$300 million. This is \$300 million less than the NWA's request for FY19. Rep. Rosa DeLauro (D-CT) offered an amendment in committee to increase funding for breastfeeding peer counselors to \$90 million, up from the current \$60 million level (it has been flat-funded for a number of years). That amendment did not pass. The bill also includes \$73.2 billion in mandatory funding for SNAP/food stamps; this is \$794 million below FY18 levels and is in line with projections of declining enrollment.
- House Transportation-Housing and Urban Development Appropriations Subcommittee passed its bill on May 16. The spending bill includes a 2.2 percent boost in funding for HUD, rejecting the President's call to cut the department by 13 percent. According to the National Low Income Housing Coalition, some programs saw modest increases, such as Housing for Persons with AIDS and Homeless Assistance Grants. However, the amounts provided in the House bill are likely not enough to renew all existing contracts provided through the Housing Choice Vouchers and Project-Based Rental Assistance programs, which could result in fewer families being served. For more details, see the National Low Income Housing Coalition's <u>full analysis</u> and <u>updated budget</u> <u>chart</u>.

With a goal of avoiding another omnibus catch-all spending package for FY19, the Senate Appropriations Committee is expected to begin taking up its chamber's versions of the 12 required spending bills this week and clearing two or three bills a week through June. It is possible that spending bills will be grouped in bundles, called "minibuses," to expedite passage, and that the House could begin taking these up as early as June or July. However, many are already expecting that a stopgap spending bill will be needed to keep the government open from the time the new fiscal year begins on October 1 through sometime after the November elections.

The appropriations process is moving forward despite the fact that neither chamber has yet to pass a budget for FY19, and it is unclear whether either will. As the <u>Bipartisan Budget Act of 2018</u>, passed in February, provided sequester relief and set spending caps for both FY18 and FY19, there is less incentive for members of Congress to produce a budget for FY19. While Congress is technically required to adopt a budget resolution by April 15 each year, there's no penalty for not meeting the deadline or not producing a budget at all. Failure to pass a FY19 budget does not stop Congress from working on and passing FY19 appropriations bills; however, it would mean Republicans could not use a special process known as reconciliation, which allows measures with a budgetary impact (like tax cuts, cuts to entitlement programs, or a repeal of much 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.

On the Senate side, because the Senate Budget Committee has not produced a FY19 budget resolution, any senator could draft his/her own and take it to the floor. Senator Rand Paul (R-KY) did just that, offering his "Penny Plan," which would balance the federal budget within 5 years, and cut more than \$400 billion in FY 2019 alone (\$13.4 trillion over a decade). The Senate was not interested: it voted

down a procedural motion to take up Paul's budget 21-76.

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Advocates Defeat House Farm Bill that Included Harmful SNAP Provisions

In a major victory for advocates and low-income families, Representatives on May 18 rejected (<u>198-213</u>) the House Farm Bill, legislation that includes the reauthorization SNAP/food stamps. Thirty Republicans joined all Democrats in opposing the partisan bill, which contained deep cuts and harmful changes to SNAP. Advocacy groups from all across the spectrum – including faith, veterans, disability rights, children's groups and more – banded together to urge Representatives to oppose the bill and defend SNAP, and they saw the bill's defeat as a rejection of Speaker Ryan and President Trump's push to cut SNAP and add harmful work requirements to a number of public benefits. Some members of the right-wing House Freedom Caucus also opposed the bill because they wanted the GOP leadership to first take up a conservative-backed immigration bill that advocates opposed.

Advocates strongly oppose the proposed changes to SNAP, which the Center on Budget and Policy Priorities (CBPP) estimates would cause more than 1 million low-income households with more than 2 million people – particularly low-income working families with children – to lose their benefits altogether or have them reduced. In particular, the plan includes sweeping, even stricter work requirements than those already in place. Under the bill, adults ages 18 to 59 who aren't raising a child under 6 and aren't determined to be permanently disabled to prove monthly that they are working or participating in job-training programs for at least 20 hours a week to receive SNAP benefits. For many, these requirements would serve as time limits, as they would be kicked off SNAP for failing to be able to meet the new demands and/or the onerous paperwork requirements. The bill would also restrict states' abilities to waive the work requirements, including for areas with high unemployment, and eliminates or rolls back states' flexibility in determining who can access SNAP. This change would re-impose a benefit cliff, cutting families off of SNAP when they earn slightly more than the federal eligibility cutoff of 130 percent of the federal poverty level; create more paperwork and bureaucracy for beneficiaries and states; and result in roughly 265,000 children in low-income families losing access to free meals at school. In all, the bill as written would cut SNAP benefits by more than \$17 billion, net. (That is, there are \$23.1 billion in SNAP benefit cuts, offset by \$5.8 billion in other benefit improvements, according to the Center on Budget and Policy Priorities.)

More than 50 amendments were offered on the bill, including some that would make the bill even more harmful. One amendment that passed, for example, would impose a lifetime ban on SNAP benefits for people convicted of certain violent crimes. Another, which also passed, would allow states to contract out SNAP administrative functions, which could disrupt services and compromise recipients' privacy. According to <u>CBPP</u>, another amendment that passed would deepen the SNAP cuts from \$17.3 billion to \$18.8 billion, cause another 600,000 people to lose SNAP benefits in 2021, and make the work requirements even more rigid.

Advocates are quick to point out that most people who get SNAP and can work do work, and that there is already a strict three-month time limit in place for able-bodied adults ages 18-50 without children who aren't working 20 hours a week. Advocates also point out that access to medical care, food, and housing are critical to keeping people healthy, which allows them to work.

Because some of the votes against the bill were by right-wing members seeking a restrictive immigration bill, it is possible that the Farm Bill will return to the House floor, if the House leadership can work out a deal to satisfy those members. Both anti-hunger advocates and those seeking help for the Dreamers and other immigrants are continuing their work towards preventing harmful legislation and enacting real improvements.

According to the <u>Food Research & Action Center</u> (FRAC), Senate Agriculture Committee Chair Pat Roberts (R-KS) and Ranking Member Debbie Stabenow (D-MI) will soon announce a date in June when their bipartisan Farm Bill will be taken up in committee; this version has not yet been released. For more information, see the <u>April 23 Human Needs Report</u>, CHN's <u>Protecting Basic Needs resource page</u>, and the <u>recording</u> of a webinar CHN cosponsored with CBPP, Feeding America, and FRAC.

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One Win and One Loss for Consumer Protections

In another blow to consumers and consumer protection groups, the House on May 8 voted (234-175) to repeal a 2013 measure issued by the Consumer Financial Protection Bureau (CFPB) aimed at preventing racial discrimination in auto lending. The Senate had previously voted (51-47; 51 votes needed for passage) to repeal the measure on April 18, and President Trump signed the legislation on May 21. The chambers voted to repeal the measure, known as a guidance document, under the Congressional Review Act (CRA); many advocacy groups considered this a troubling overreach of the CRA's use. Under the intent of the CRA, Congress has 60 legislative days to review and override certain new regulations issued by federal agencies, with only a simple majority vote in the Senate and House, as well as presidential approval. However, in this case, lawmakers used the CRA to target a guidance document that has been in place for years, using a loophole that could allow Congress to overturn regulatory protections and safeguards that have been in place for decades if such documents weren't submitted to Congress as formal rules. CHN joined Public Citizen and more than 60 other organizations in <u>urging Congress</u> to vote against this repeal. Use of the CRA also prevents agencies from enacting similar regulations again in the future unless specifically authorized by a subsequent law.

Advocates breathed a sign of relief, however, when Congress failed to use the CRA to repeal the CFPB's payday lending rule before the deadline for action expired on May 16. The payday lending rule requires lenders to verify a borrower's income, outstanding debts, and minimum basic needs in order to determine a borrower's ability to repay a loan before one is made. The rule, put forth by the CFPB after five years of research and input, was put in place to curb the ability of payday and car title lenders to trap consumers in a cycle of debt. CHN is a member of the Stop the Debt Trap coalition, and has

participated in efforts to defend the payday lending rule. The threat is not over, however, as a court challenge to the rule remains pending. Acting CFPB Director Mick Mulvaney has <u>indicated</u> that he will reopen the rule for further consideration, which was crafted under the direction of previous CFPB Director Richard Cordray, and that payday lenders might obtain a waiver from the new rule while the rulemaking process is reconsidered. For more information, see CHN's <u>blog</u>, the <u>March 5 Human Needs Report</u>, and <u>this press release</u> from Americans for Financial Reform.

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Census Immigration Question in the Spotlight

On May 18, the Justice Department's Acting Assistant Attorney General for Civil Rights John Gore <u>testified</u> at a House Oversight and Government Reform Committee <u>hearing</u> on the 2020 Census. Gore was originally scheduled to testify at a hearing on May 8 but failed to appear. As <u>reported</u> by ProPublica, emails suggest that Gore was the author of the letter to the Census Bureau requesting the addition of a citizenship question on the 2020 Census. According to the same article, Gore is "a Trump political appointee who is best known for his work defending Republican redistricting efforts around the country." Advocates and at least <u>one</u> member of Congress also took note of a <u>statement</u> made by Thomas Brunell, President Trump's initial pick to lead the Census Bureau, who said that the move to add a question on citizenship is a political move that will drive down responses and drive up costs.

The Census is constitutionally mandated to count every person in the U.S., regardless of immigration status, and the counts of all persons are used in determining a state's number of congressional seats, legislative district lines, and funding levels for many federal grant programs to states or localities. Many advocates and state officials are highly critical of adding a citizenship question to the 2020 Census, believing that in the midst of heightened anti-immigrant enforcement activities and policies, including such a question will discourage people from returning the Census form. This is likely to worsen the undercount of low-income people, people of color, and children. In the 2010 Census, children were significantly undercounted. The Census Bureau's American Community Survey, with a sample of approximately 3,000 respondents, annually asks a citizenship question, so there is another source for immigrant status information. For more information, see the <u>March 27 Human Needs Report</u> and <u>this fact sheet</u> from the Leadership Conference on Civil and Human Rights.

As noted above, the House Appropriations Committee rejected an amendment from Rep. José Serrano (D-NY) to the FY19 House Commerce-Justice-Science spending bill to prevent the Census Bureau from asking a question about citizenship. The bill, which the committee passed on May 17, provides \$4.8 billion for the Census Bureau, approximately \$2 billion more than last year's level and \$1 billion more than President Trump's request, to ramp up for the 2020 Decennial Census. While they were disappointed over the rejection of the Serrano amendment, advocates were pleased with the funding boost for the Census Bureau. The Trump Administration estimates the 2020 Census will cost more than \$15 billion.

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