

The Human Needs Report

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IN THIS EDITION:

BUDGET & APPROPRIATIONS: FY18 Appropriations Work Continues as Congress

Approaches March 23 Deadline

FY19 Budget Planning Begins in the House

IMMIGRATION: <u>Advocates Rally for Dream Act as DACA Deadline Slides</u>

Changes May Make it Harder for Immigrants to

Receive Assistance

PUBLIC SAFETY: <u>Gun Control Measures Disputed in Congress</u>

LABOR: Supreme Court Hears Case Challenging Labor Unions

CONSUMER PROTECTIONS: House Moves Anti-Consumer, Pro-Payday Lender

Legislation

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FY18 Appropriations Work Continues as Congress Approaches March 23 Deadline

Appropriators continued negotiations through the weekend to try to complete a spending package to fund the federal government for the remainder of the fiscal year before the current funding runs out on March 23. While topline spending caps for discretionary (annually appropriated) defense and nondefense programs were agreed upon in the <u>Bipartisan Budget Act of 2018</u> passed in February, members of Congress must finally come to agreement on item-by-item spending details. They will achieve this through an "omnibus" spending package that will combine the 12 required appropriations bills covering all government agencies for the rest of the fiscal year in one package.

One possible holdup in completing a spending package involves money to boost nondefense programs above the caps. In the past, when changes in mandatory programs (known as CHIMPS) such as delayed

or canceled spending result in savings, that money can be spent on annually appropriated programs. The White House wants CHIMPS eliminated, but the FY18 budget resolution allowed for \$17 billion in CHIMPs for domestic discretionary programs. Democrats in Congress are pushing to use all \$17 billion to boost programs for low- and middle-income people. Republicans are insisting that only \$14 billion be spent. The bipartisan budget deal previously passed provides \$63 billion in new dollars for nondefense spending and \$80 billion in new dollars for defense spending for FY18, and Democrats agreed to it under the assumption that the \$17 billion from CHIMPs savings would make the increases equal.

There is also the possibility that legislation addressing a solution for recipients of the Deferred Action for Childhood Arrivals (DACA) program and/or legislation addressing gun control could be added to the omnibus; see related articles in this *Human Needs Report* for more information on those topics. Many other proposals could also be on the table for inclusion in the omnibus, or they could become sticking points in trying to get an omnibus passed. These include disaster aid for Puerto Rico (a commitment to provider disaster relief funding was included in the enacted two-year agreement to lift the sequester caps), money for a border wall and for deportation enforcement, possible fixes to the GOP tax law, and health care changes such as payments to insurance companies to help lower costs for lower-income marketplace enrollees (known as cost-sharing reductions, or CSRs), or funds for states to set up reinsurance programs that help pay for high-cost patients.

Democratic leaders in Congress and many advocates are opposed to possible poison pill riders, or controversial policy changes, that members of Congress may try to add to the omnibus. Top Democrats last week threatened to withhold support for the omnibus if GOP leaders included such controversial policy provisions. Some riders opposed by advocates that have been discussed include a mandate that the 2020 Census ask about citizenship status and a repeal of the EPA's rule on clean drinking water.

House and Senate appropriators hope to complete work on an omnibus bill by March 14 to give Congress time to pass it before the March 23 deadline. If negotiations aren't finalized by then, it is possible that another short-term stopgap funding bill would be passed to prevent a government shutdown while the omnibus package is wrapped up.

Meanwhile, the Senate Budget Committee is scheduled on Wednesday, March 7 to hold a hearing on the first-ever Defense Department audit. The Pentagon has been criticized for decades for cost-overruns and inability to pinpoint where all of its funds have gone. Despite that, the new deal to lift budget caps increases military spending to \$700 billion in FY 2018.

Return to Top

FY19 Budget Planning Begins in the House

As part of the regular congressional budget development process, several House committees are making known their spending needs for programs under their jurisdiction for the coming fiscal year. Sent to the House Budget Committee, these "views and estimates" letters outline each committee's budget and policy priorities for the year ahead and react the president's request. The House Agriculture

Committee's views and estimates <u>letter</u> for FY19 pointed out that agriculture programs have been sources of \$100 billion in savings already, and therefore urged the Budget Committee to protect funding for SNAP and other programs, citing the need to develop and enact a Farm Bill this year.

In its <u>letter</u> to the Budget Committee, the House Ways and Means Committee mentions several changes to programs serving low- and middle-income Americans that advocates see as harmful, such as "options for repealing and replacing the Affordable Care Act," "reforming welfare programs," work requirements, and "pro-growth" tax code changes. In addition, the House Financial Services Committee is scheduled to adopt its views and estimates letter on Tuesday, March 6.

According to CQ, there are 12 budget-related hearings scheduled for this week, nine of them in House committees. During these hearings, committee members will review President Trump's FY19 budget request and pose questions to relevant Trump administration officials. It is still unclear whether or not the House will produce its own FY19 budget request this year. House Budget Committee Chair Steve Womack (R-AR) has said he may not take up a budget resolution this year, but he later said his committee would release a budget blueprint. The Senate is less likely than the House to produce a budget. As the Bipartisan Budget Act of 2018, 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, 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; however, it 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 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.

In addition, House and Senate leadership have appointed members to the Joint Select Committee on Budget and Appropriations Process Reform called for in the Bipartisan Budget Act. The Select Committee is chaired by House Budget Committee chair Steve Womack (R-AR) and co-chaired by the House Appropriations Committee's top Democrat Nita Lowey (D-NY). The law calls for the committee to meet for the first time by March 11, although there is some doubt it will do so. The budget group is supposed to report back recommendations by the end of November, although there are no penalties for missing this deadline. Another Select Committee formed by the Bipartisan Budget Act is with tasked with coming up with solutions to help keep multiemployer pension plans solvent.

For more information on all things related to the FY19 budget, see CHN's <u>FY19 budget resource page</u>.

<u>Return to Top</u>

Advocates Rally for Dream Act as DACA Deadline Slides

Advocates rallied in Washington, D.C. on March 4 and 5 to urge Congress to pass a clean Dream Act to provide a pathway to permanent residency and eventual citizenship for Dreamers, people who were brought to the U.S. as children. Their fate remains in limbo, as Congress has failed to enact legislation to protect them and cases challenging the end of the program make their way through the courts.

While the Senate voted on a <u>number</u> of pieces of immigration legislation on Feb. 15, none secured enough votes for passage. CHN supported one proposal, the McCain-Coons Amendment, which would have paired the Dream Act with border security provisions and a coordinated approach to address problems in Central America that lead individuals to flee violence and gang activity. This bill failed by a vote of 52-48 (60 votes were needed for passage). Only one Democratic voted against it, while only four Republicans voted for it. The Rounds-King Amendment, a bipartisan proposal offered by eight Republicans and eight Democrats, also failed (54-45; 60 votes required). This bill would have provided much of the protections of the Dream Act, provided \$25 billion over 10 years for border security, and end or restrict certain family reunification immigration policies. Prior to the vote, President Trump said he would veto this proposal if it passed Congress. The so-called Grassley-Miller Amendment, which incorporated the "four pillars" called for by President Trump, would have harshly restricted current legal family reunification immigration policies and ended the Diversity Visa Immigrant Program; it received the fewest votes of all the alternatives, failing 39-60. An anti-sanctuary cities bill also failed.

Advocates had reason to celebrate a small victory on Feb. 26 when the Supreme Court declined to hear the Trump administration's challenge to a lower court ruling temporarily blocking it from ending the Deferred Action for Childhood Arrivals (DACA) program. In January, a California judge <u>ruled</u> that the Trump administration wrongly ended the DACA program, and it temporarily blocked the Trump administration from ending the program if legal challenges remain unresolved. The Department of Justice <u>appealed</u> that ruling and asked the Supreme Court to jump ahead of the appeals court to take up the case; the Supreme Court declined. The case will now be reviewed by the 9th Circuit Court of Appeals. A similar ruling against the Trump administration by a judge in New York will move to another appeals court. If either of those courts rules against the Trump administration, the Department of Justice could still appeal to the Supreme Court. The 9th Circuit Court is expected to hand down a ruling this summer, meaning that the Supreme Court could potentially take up the case when it reconvenes in the fall.

As the cases move through the legal system, DACA recipients can continue to file to renew their protected status beyond the March 5 deadline that President Trump previously announced would signal the end of DACA unless Congress acted. However, no new DACA applications will be accepted.

The Supreme Court announcement also buys time for Congress to figure out its next moves. Senators are also reportedly considering a <u>one- to three-year temporary extension</u> of the DACA program, which may or may not be paired with money for the border wall. A DACA fix could also be attached to the omnibus spending package Congress needs to pass. House Speaker Paul 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. 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. Most Democrats and some Republicans have opposed the proposed restrictions on immigration inserted into legislation intended to protect the Dreamers.

For more information about the Dream Act, applying for DACA renewals, and upcoming events, visit the National Immigration Law Center, UnidosUS, and United We Dream.

Return to Top

Changes May Make it Harder for Immigrants to Receive Assistance

As reported in the February 9 *Human Needs Report*, the Trump administration is <u>considering</u> 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 <u>statement</u> 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."

Federal agencies are generally required to submit drafts of any significant regulatory changes to the Office of Management and Budget for its review; advocates expect these proposed rule changes to what's known as the "public charge" provisions of immigration law to be submitted as early as this month. The proposed rule changes would then have to be open to public comment for a period of time before being issued by the Administration in final form.

Some related changes have already been put in place, however. For example, the U.S. State Department changed its policies to say that officials can now consider whether people seeking tourist or employment-based visas and those seeking to enter the U.S. as lawful permanent residents have received any public assistance or have a family member who has received any public assistance.

Advocates believe that this is a back door way for the Trump administration to restrict family immigration and deter families from securing critical services. Some service agencies have already reported panic in the immigrant community and have seen cases of families pulling out of programs like school meals because of fear that it may negatively impact them in the future, despite the fact that the leaked proposal would not count services used before the rule would be finalized. For more information, see this fact sheet on the proposed rule, this fact sheet on the State Department changes, and this guidance on talking with immigrant families, all from the National Immigration Law Center.

Return to Top

Gun Control Measures Disputed in Congress

Several gun control measures are being debated in Congress and with the White House following the tragedy in Parkland, Florida. The House passed a bill to narrowly bolster enforcement of the federal background check system in December 2017, but House GOP leaders coupled it with an NRA-backed measure that would allow states to honor concealed carry permits issued by other states. Senate Democrats will not support such a measure and instead want to expand background checks for firearms purchased at gun shows and online. Sens. Toomey (R-PA) and Manchin (D-WV) have a proposal to close the "gun show loophole"; that proposal got 54 votes in 2013, 6 shy of the number needed for passage. Sen. Dianne Feinstein (D-CA) introduced a bill to ban the sale of bump stocks, but it has not moved after a committee hearing last December; she also introduced a bill to ban all assault weapons. Sen. Jeff Flake (R-AZ) has said he would work with Sen. Feinstein on a bill to raise the minimum age for purchasing certain firearms. Another proposal revolves around whether to reverse the prohibition put in place by Congress against research on gun violence by the Centers for Disease Control and Prevention. It is uncertain if any of these proposals have the 60 votes required to pass in the Senate, though there is some talk of trying to attach gun legislation to the must-pass omnibus spending package to fund the government for the rest of the fiscal year.

President Trump has made conflicting remarks over the past weeks regarding his potential support for moves like raising the minimum age for purchasing some firearms, expanding federal background checks, and outlawing bump stocks. He has also proposed arming certain teachers and school staff with firearms. CHN supports stronger gun laws and programs to prevent the senseless violence that continues to threaten children's safety and the safety of our communities.

Return to Top

Supreme Court Hears Case Challenging Labor Unions

On Feb. 26, the U.S. Supreme Court heard arguments in a case that could adversely affect millions of working Americans. The case, *Janus vs. AFSCME*, centers on unions' rights to collect "fair share" or "agency" fees from non-union members. Under current law, workers who choose not to join their workplace's union do not pay union dues but do pay fair share fees to cover the basic costs for union representation, as these workers are still covered under collective bargaining agreements negotiated by the unions. This case is the third such one to come before the Supreme Court in five years involving public-sector unions' ability to collect fair share fees. A report from the Economic Policy Institute found that all three of these cases have been funded by "a small group of foundations with ties to the largest and most powerful corporate lobbies."

Advocates feel this case is an attack not only on labor unions, but on lower- and middle-income workers and their rights to organize for better pay and working conditions. They believe a ruling against AFSCME would weaken unions, the democratic decision-making process in the workplace, and public sector middle-class jobs. For more information, see <u>CHN's statement</u>, this statement and <u>op-ed</u> from the

National Employment Law Project, and <u>this joint statement</u> from the American Federation of State, County and Municipal Employees (AFSCME), Service Employees International Union (SEIU), the American Federation of Teachers, and the National Education Association.

Return to Top

House Moves Anti-Consumer, Pro-Payday Lender Legislation

In a blow to consumers, some in Congress are moving to repeal the Consumer Financial Protection Bureau's payday lending rule which 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. But now, some members of the House have introduced H.R. Res 122, legislation to repeal the payday rule under the Congressional Review Act (CRA). 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. As CHN previously reported, the CFPB's Acting Director Mick Mulvaney (who concurrently serves as the head of the Office of Management and Budget) announced in January that the Bureau would reconsider the payday rule, 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. Reconsidering the rule would take much longer, however, than congressional action. For more information, see the Center for Responsible Lending and the Stop the Debt Trap coalition.

In a related move, the House passed (245-171) a bill on Feb. 14 that would take away states' rights to cap interest rates on payday loans. This would give a green light to payday lenders to charge huge interest rates to low-income consumers without having to abide by state laws. Consumer advocates warn that state interest rate limits are the most effective protections against the harms of predatory lending. The bill is not expected to move in the Senate in the near future. For more information, see CHN's recent blog post on this topic.

Return to Top

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