



COALITION ON HUMAN NEEDS

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Congress is currently in its first [recess](#) of the year. Here's a look at what members tackled before the break, and what's waiting for them when they return on Feb. 27. President Trump is also expected to address Congress on Feb. 28 in his first joint session address.

FY17 Appropriations & FY18 Budget Expected to Move Again

With a budget director in place in the Trump Administration, work on Fiscal Year 2017 appropriations and a Fiscal Year 2018 budget is expected to move forward after the Presidents' Day recess (for more on Mick Mulvaney's confirmation, see the related article in this *Human Needs Report*). The current Continuing Resolution (CR) through which the government is funded runs through April 28, and Congress and the Administration will need to work together on a plan to keep the government open the remainder of FY17 while also working on the FY18 budget and spending bills. For FY17, only one of the

12 required bills, the Military Construction and Veterans Affairs appropriations bill, has been signed into law. It is unclear if Congress will try to pass the 11 remaining appropriations bills either individually, in small groups, or in one large group, known as an omnibus spending bill. If members cannot come to agreement on detailed funding decisions, they may opt to extend the current Continuing Resolution through September, keeping most funding levels flat.. They could also do some combination of these options. Any FY17 appropriations bills would need a minimum of 60 votes to pass the Senate.

The White House is also expected to submit requests to Congress soon for additional funds to begin building the wall President Trump wants along the U.S.-Mexico border and for additional defense spending. For more information, see the related article in this *Human Needs Report*.

The Trump Administration is expected to submit a preliminary FY18 budget (also called a “skinny budget”) to Congress in mid-March. This rough outline of tax and spending priorities is expected to be followed by a more detailed budget later in the spring. Advocates are concerned about reports that say budget proposals from Trump may be similar to that from the [Heritage Foundation](#), which would make unprecedented cuts, slashing Medicaid, SNAP, Medicare, Head Start, and other critical human needs programs. [The New York Times](#) reported that the White House Office of Management and Budget has compiled an initial list of smaller programs it would eliminate, many of them perennial targets of right wing budget plans. The list is said to include the Legal Services Corporation, Corporation for Public Broadcasting, the Corporation for National and Community Service (which includes AmeriCorps), the National Endowment for the Arts, and the Office of National Drug Control Policy. Low income advocates have fought off attacks on the Legal Services Corporation and AmeriCorps in the past; this year, with many more programs expected to be under siege, it will be an especially difficult battle.

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White House to Ask for Additional Funding for Defense and Border Wall

The Department of Defense is preparing to ask Congress for additional funding for the current fiscal year. According to reports from *CQ* and others, the request for additional money is expected to be submitted to the White House Office of Management and Budget soon; the OMB would then submit the supplemental request to Congress by or shortly after March 1. The exact amount of money that will be requested isn't known yet, but calls for anywhere from \$18 billion to \$40 billion have been heard around Capitol Hill. The Pentagon already received [\\$8 billion](#) in additional funding in the Continuing Resolution passed last fall, while most programs received flat funding.

Advocates are opposed to giving additional money to the Pentagon. This is particularly true in light of a recent [Washington Post](#) article that found that the Pentagon buried an internal study showing \$125 billion in administrative waste because it was afraid Congress would use the findings to cut the defense budget.

Looking ahead, some Republicans in Congress, including [Sen. John McCain](#), are calling for a FY18 base defense budget, excluding war costs, of \$640 billion. This is more than \$91 billion above the amount

permitted by current law. A [white paper](#) released by Sen. McCain (R-AZ) last month also calls for an additional \$60 billion in FY18 for the uncapped Overseas Contingency Operations fund, a fund that is supposed to be used for overseas operations in Iraq, Syria and Afghanistan but has been routinely used by the Pentagon to increase its spending without technically violating the spending caps. In addition, Sen. McCain calls for “sustained growth for years thereafter” for the base defense budget, leading to a base defense budget of \$720 billion by FY21 (the FY21 cap is \$590 billion), with another \$60 billion for OCO in each year through FY22.

If the Pentagon does get more funding for the current fiscal year and beyond, advocates will push Democrats in Congress to insist on maintaining the principle of parity, or providing equal relief from sequestration cuts for defense and non-defense programs. Whether or not Democrats will hold firm on this principle is unknown.

It has been rumored that the request for additional Pentagon money for FY17 will be framed as an emergency need, meaning it does not have to be paid for with offsetting cuts. However, the conservative House Freedom Caucus is rumored to be demanding that it be paid for with cuts to other non-defense programs.

If Democrats do insist on parity, it is possible that Republicans could argue that providing funding for the wall President Trump wants to build along the southern border satisfies that criteria, since it would be considered non-defense spending. President Trump is expected to submit a request to Congress soon for funding to begin construction. Advocates are concerned that some Republicans may try to ensure the wall is paid for with cuts to human needs programs. According to a U.S. Department of Homeland Security report, the wall will cost [\\$21.6 billion](#), but it is unknown how much President Trump will ask for at this time. The National Priorities Project responded to news of the HHS report with a list of [six things the U.S. could do with that money](#) instead of building a wall, including providing Medicaid for 6 million people, doubling federal aid to public K-12 schools, or resettling hundreds of thousands of refugees through 2030.

For more information, see [this blog post](#) from CHN.

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House Republicans Unveil ACA Replacement Outline

On Feb. 16, House Republican leaders unveiled to their members an outline of their plan to replace the Affordable Care Act. According to [the Hill](#), [CQ](#), [NPR](#) and others, the plan includes changes to the subsidies that help low-income people buy insurance, expanding health savings accounts, and major structural changes to Medicaid that advocates fear will leave many low-income people without coverage.

The subsidies that low-income people currently receive to help them buy insurance would be replaced with tax credits to be based on age rather than on income or the cost of the plan. Older people would

get a higher credit. While the amount of the tax credits aren't known, advocates suspect they will be less than the amount of the subsidies included in the ACA, making coverage more expensive for low-income individuals. The tax credits will only be available for the purchase of individual plans (not to subsidize the employee share of health insurance provided through work). Current requirements of minimum coverage would be overturned; individuals could limit their insurance to catastrophic coverage. Health savings accounts (HSA's), also promoted in the plan, are less effective for low-income families who don't have as much money to save. The proposal would greatly increase the amount that could be contributed to HSA's, from \$3,400 to \$6,550 for individuals and from \$6,750 to \$13,100 for families in 2017, a change that would increase tax breaks to wealthier families.

Among the biggest concerns to advocates is the plan's major overhaul of Medicaid. The plan calls for eliminating the open-ended federal commitment to match whatever states spend and instead instituting "per capita caps," limiting the payments to states of a fixed per-person amount established for beneficiary categories such as aged, blind/disabled, children, or working age adults. Or, states could instead choose to receive its Medicaid money as a block grant. Either option would limit the amount of money available to states to serve its residents on Medicaid. Advocates believe both per capita caps and block grants would lead to damaging cuts to Medicaid. The [Center for Law and Social Policy](#) (CLASP), the [Center on Budget and Policy Priorities](#) and [Families USA](#) all have pieces showing how block grants and per capita caps would hurt low-income people.

The plan would also repeal the ACA's Medicaid expansion "in its current form," phasing out the money for states that chose to expand Medicaid coverage and eventually forcing states to cover the costs at their usual match rate if they want to be able to continue to provide coverage for those under the expansion umbrella. The Center on Budget and Policy Priorities believes the Republican outline would "result in a significant transfer of resources from low- and middle-income families to those at the top;" see [this piece](#) from CBPP for more information on the House GOP plan.

Several Republican senators have reportedly expressed concern about whether a major Medicaid overhaul would have the votes to pass the Senate. Many of the Republican senators whose states chose to expand Medicaid have expressed interest in keeping the additional funding their states received. Some Republican governors from these states have reportedly started pushing back on major changes to Medicaid, too, since a cut in funding would force them to cut services for their residents; their only flexibility would be to determine how to make the cuts.

The House GOP plan also immediately eliminates tax penalties on those who fail to buy or offer insurance. It would reinstate high risk pools, calling them "State Innovation Grants." Funding provided to states for these grants could be used to reduce patient costs or to lower the cost of providing care to high utilization patients. Such funds could also fund preventive services, such as annual checkups that are now required in Affordable Care Act plans. The grants appear to allow subsidies to insurers or health providers. The purposes of the grants are broad enough to invite skepticism about their effectiveness in helping people with pre-existing and/or complex conditions to afford care. Legislation based on the plan could be introduced after the Presidents' Day recess. The Congressional Budget Office has not yet provided its analysis of how much the plan would cost.

The White House also took action on the ACA, issuing a rule on Feb. 15 that, if finalized, would let insurance companies offer plans with fewer benefits, less generous coverage and with higher deductibles than they are currently allowed to offer under the ACA. The Center on Budget and Policy Priorities' [analysis says](#) that the new proposed rule would "raise premiums, out-of-pocket costs, or both for millions of moderate-income families. ... As a result, the rule would force millions of families to choose between higher premiums and worse coverage." The proposed rule is open for public comment until March 7, with the final rule expected to be issued in March or April. The Trump Administration also proposed shortening the annual enrollment period by over a month and a half. Families USA [notes](#) that this and other proposals in the rule "would create roadblocks to purchasing coverage," and expects to develop sample comments to guide concerned individuals or organizations soon.

The conservative House Freedom Caucus [voted](#) on Feb. 13 to oppose a repeal bill that does not go as far as the repeal bill Congress passed in 2015. Advocates contend that members of Congress who vote to repeal the ACA with no plan in place to assure continued coverage, or a plan that reduces benefits or increases costs, are willing to put millions of people's health and lives in peril. If all Democrats remain unified, the defection of three Republican senators would defeat specific ACA repeal/replacement plans. For more information Republicans' efforts to repeal and replace the Affordable Care Act, see the [Feb. 6 Human Needs Report](#).

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President Trump's Cabinet Fills Up, But Labor Secretary Nominee Forced to Withdraw

Advocates celebrated when **Andrew Puzder**, President Trump's original nominee to be Secretary of Labor, withdrew his nomination on Feb. 15, just one day before he was scheduled to appear before the Senate Health, Education, Labor and Pensions Committee. It was reported that between four and 12 Republican senators had declined to openly support Puzder, throwing his confirmation in jeopardy. The National Employment Law Project, one of the groups that championed advocacy efforts to defeat Puzder's confirmation, said in a [statement](#) that he was forced to withdraw "[t]hanks to fierce opposition from a diverse group of Americans, including people deeply concerned about the treatment of workers and of women." The American Federation of State, County and Municipal Employees (AFSCME) [noted](#) that Puzder "demonstrated nothing but contempt for everything the Labor Department stands for and everyone it exists to serve," and said, "AFSCME members hope that the president will get it right the second time and choose a labor secretary who shares the basic values of working families." CHN also [opposed](#) Puzder's confirmation because of his violations of labor laws and his anti-worker policy positions. On Feb. 16, President Trump named Alexander Acosta as his new pick for Labor Secretary. Acosta is a former U.S Attorney, former assistant attorney general for the Civil Rights Division of the Department of Justice, and a former member of the National Labor Relations Board. Advocates will review his record in the coming days and weeks.

Despite efforts by advocates and most Senate Democrats, however, several of President Trump's other cabinet nominees were confirmed by the Senate and sworn in in recent weeks. Many of these

confirmations fell on party line or near-party line votes; only a simple majority of the Senate is needed to confirm nominees for administration positions.

Former Sen. **Jeff Sessions** (R-AL) was confirmed by the Senate ([52-47](#)) as the new U.S. Attorney General on Feb. 8. Sen. Joe Manchin (D-WV) was the only Democrat to vote in favor of Sessions; Sessions refrained from voting. Alabama Gov. Robert Bentley (R) appointed Luther Strange, the state's attorney general and a Republican, to fill Sessions' Senate seat. Strange was sworn in on Feb. 9 and will serve until an election is held in 2018 to fill the seat for the remainder of Sessions' term, which ends Jan. 2020. Strange is expected to run for the seat in 2018. CHN [opposed](#) Sessions' confirmation.

Former Rep. **Tom Price** (R-GA) was confirmed ([52-47](#) along party lines) as the new Secretary of the Department of Health and Human Services on Feb. 10. As such, he will play a key role in GOP efforts to repeal the Affordable Care Act. In his role as Chair of the House Budget Committee, Rep. Price proposed massive reductions to low-income programs. CHN's [letter](#) to Congress opposing his nomination put it this way: "Millions of low- and moderate-income families, people with disabilities, children and seniors stand to lose services if the policies espoused by Rep. Price are implemented in the agencies within the Department of Health and Human Services. He has not proposed meaningful improvements, but instead called for slashing funding by one-third to more than one-half. He supports harsh constraints on the capacity of the federal government to respond when economic downturns or crises such as opioid epidemics increase the number of people who would qualify for services." A special election will be held on April 18, with a runoff set for June 20, to fill Price's House seat.

Steven Mnuchin was confirmed ([53-47](#)) as the new Treasury Secretary on Feb. 13. Sen. Joe Manchin (D-WV) was the only Democrat to vote for Mnuchin. Dubbed "[Mr. Foreclosure](#)," Mnuchin will be responsible for administering loan modification and foreclosure prevention programs established following the 2008 crisis, among other responsibilities. He will also play a key role in Republican efforts to overhaul the tax code.

Betsy DeVos was confirmed ([50-50](#), with Vice President Pence casting the tie-breaking vote) as Secretary of Education on Feb. 7. Sens. Lisa Murkowski (R-AK) and Susan Collins (R-ME) were the only Republicans to oppose DeVos. CHN [opposed](#) DeVos' confirmation because of her commitment to direct resources away from low-income students and students with disabilities.

Former Rep. **Mick Mulvaney** (R-SC) was confirmed ([51-49](#)) as the Director of the Office of Management and Budget on Feb. 16. Sen. John McCain (R-AZ) was the only Republican to oppose Mulvaney because of Mulvaney's willingness to cut military spending. In addition to leading efforts to develop the Trump Administration's federal budget requests and dealing with the need to raise the debt limit, Mulvaney will play a key role in repealing regulations implemented by the Obama Administration. A co-founder of the ultra-right-wing House Freedom Caucus, CHN [opposed](#) the confirmation of Mulvaney because of his support for budget proposals that make draconian cuts in human needs programs and his willingness to shut down government and stop government borrowing in order to force cuts.

For more information on President Trump’s cabinet nominees, including statements opposing many of the nominees from CHN members, see CHN’s page on the [Trump Administration](#).

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House Votes to Repeal More Rules Affecting Workers

On Feb. 15, the House has voted to repeal several rules implemented by the Obama Administration that affect workers. The House voted ([236-189](#)) to repeal a rule that limits states’ ability to drug-test certain laid-off workers applying for unemployment insurance. That same day, they also voted to repeal two [rules](#) that would allow states to create retirement savings accounts for private sector and low-income workers whose employers do not offer retirement plans on their own. The National Education Association and [AARP](#) opposed the repeal of this rule.

The “resolutions of disapproval” to roll back the rules were passed under the Congressional Review Act (CRA). Under the CRA, Congress has 60 legislative days to review and override major regulations enacted by federal agencies, with only a simple majority vote in the Senate. The CRA also prevents agencies from enacting similar regulations again in the future unless specifically authorized by a subsequent law.

A number of other rules and regulations put into place in the last several months of the Obama Administration are being targeted by Republicans in Congress and the new Trump Administration for the chopping block. For more information about other rules and regulations under threat and the process for undoing these, see the [Feb. 6 Human Needs Report](#) and [RulesAtRisk.org](#).

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We appreciate your input. Give us your thoughts on our *Human Needs Report* at limbery@chn.org.
