

January 15, 2019

The Trump Shutdown is now the longest failure to provide for federal services in American history.

That is a shameful record.

President Trump, Senate Leader McConnell and their allies in Congress are refusing to fund services affecting food and environmental safety, food for the hungry, housing assistance, transportation, national parks, homeland security and other public safety programs, tax refunds and taxpayer information, health care for Native Americans, scientific and statistical research, private business, and more.

It is time for the Senate to do its job and re-open vital government services by voting to approve the House-passed appropriations bills – while rejecting the Trump ultimatum on wall funding.

The House of Representatives has voted to approve full-year funding for all the departments not yet funded except Homeland Security (DHS). To give time for continued negotiations over border security and related issues, they passed a short-term spending bill for DHS, with spending at the current rate through February 8. The House has passed these bills in combination and separately; they are considering new versions of <u>temporary spending bills</u> (one to re-open government through February 1 was unable to get the two-thirds vote needed for speedy consideration, although it did pass; the other extends funding through February 28). But Senate Majority Leader McConnell has refused to take up the appropriations bills passed by the House – despite the fact that their funding levels originated in the Senate and were approved either by the full Senate or in the Appropriations Committee by overwhelming bipartisan margins. President Trump has said he will not sign bills without \$5.6 or \$5.7 billion for his wall.

We are in the fourth week of the shutdown. Majority Leader McConnell must bring the appropriations bills to the floor.

The Impact

Some of the unfunded services have been deemed essential, so at least 420,000 federal workers have been forced to work without pay. Another 380,000 are furloughed without pay. An unknown additional thousands of federally contracted workers are also out of work: food service and maintenance workers, researchers, and others. While legislation to provide back pay to direct federal employees has been enacted by Congress and signed by the President, contract workers in the past have not received back pay.

(See more about how federal workers are hurt by the shutdown <u>here</u>.) See more about the impact on contracted workers <u>here</u>.) People denied services and unpaid workers are all hostages to President Trump's demand for billions for a border wall of some kind, despite numerous refutations of the misinformation on which he bases his ultimatum. (See <u>The Washington Post</u> and <u>The New York Times</u>, for example.)

Trump and his allies have said that the Democrats are refusing to negotiate. This is demonstrably untrue. They have previously supported funding for a range of border security measures, including improvements in existing barriers, new technology, more immigration judges, etc. Democrats and the bipartisan representatives in all the Southwestern border districts do not want a wall as described by the President.

It is Trump who is unwilling to negotiate. He is holding millions hostage to try to force his opponents' hand. Further, when the shutdown threatens Affordable Care Act insurance premium subsidies, slows oversight of environmental, food, and medical safety regulations, and stalls immigration court hearings, the Trump Administration is getting outcomes he wants. By refusing to take up spending bills to re-open government, Leader McConnell is abetting the hostage-taking.

The Coalition on Human Needs is posting updates about services affected by the shutdown. We have focused on services needed to prevent hunger, homelessness, and poverty, and to protect life, health, basic rights and public safety. There are many other important services affecting national parks, businesses, and scientific research not detailed here. You can see more information <u>here</u> and through a series of our <u>Voices for Human Needs blogs</u>. The situation is constantly changing, so be aware that posts even a few days old may be outdated. Below is information current as of January 15, to the best of our knowledge.

U.S. Department of Agriculture

The Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) is funded through the end of February if states successfully arrange for the companies that manage their SNAP debit cards to deposit the funds to cover February benefits by January 20. Because some areas do not have adequate technical capacity, it is possible that not all funds will be deposited on time, but staff are working hard to meet the deadline. SNAP beneficiaries will therefore receive their benefits early, and will have to plan to make the amount last through the end of February. If the shutdown continues into March, there is a reserve of about \$3 billion available, but the full cost of a month of benefits is \$4.8 billion. USDA will have to decide how to distribute the insufficient funds as March approaches.

School meals and the Child and Adult Care Food Program will be funded through the end of March.

In addition, USDA has announced that it has funding for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) through the month of February. The Commodity Supplemental Food Program, which delivers food to 600,000 seniors, will be able to deliver its food packages through February (based on the 2018 caseload, since no 2019 updates have been made during the shutdown), as will The Emergency Food Assistance Program (TEFAP), although neither will receive administrative funds to run the programs. The Food Distribution Program on Indian Reservations has funds through February, and administrative funds through the end of January. None of the nutrition programs has assured funding if the shutdown continues into March.

USDA runs low-income rural housing assistance, but has not shared information about the housing benefits it provides for January. Funding for construction projects for affordable rural housing has been

halted during the shutdown; builders who cannot pay bills for already-started projects may face additional fees or penalties. A first disturbing example of tenants in housing built with USDA Section 515 subsidies being told they have to pay market rent has surfaced in Alma, Arkansas. Tenants, whose rent is limited to 30 percent of their income (the subsidy could be paid through the HUD Section 8 program), received messages dated January 11 that in light of the federal shutdown, they would have to pay the full rent by January 20 or face eviction. They were encouraged to call their "...Senators and Representatives in Washington D.C. if you want your rental assistance to be paid."

(See USDA description of its nutrition shutdown policies <u>here</u>.) See January 14 coverage of Arkansas rent notice <u>here</u>.)

Food and Drug Administration

Government funding for the FDA comes through USDA appropriations. The shutdown had stopped food safety inspections, but some of those resumed as of Monday, January 14, according to FDA Commissioner <u>Scott Gottlieb</u>. High risk foods will be inspected (such as soft cheeses, seafood, and baby formula), but many routine inspections will still not be occurring. The FDA has also discontinued inspections of certain complex drugs and medical devices, but hopes to resume that activity next week.

(See The New York Times, January 15.)

U.S. Department of Housing and Urban Development

HUD provides some rental assistance through contracts with private housing owners. These contracts must be renewed, but 650 rental assistance contracts that had expired in December prior to the shutdown had not been renewed by HUD as of January 5. About 21,500 low-income households are affected. According to the <u>Campaign for Housing and Community Development Funding</u>, "Roughly two-thirds of these households are elderly or who have disabilities; on average, these households have incomes of less than \$13,000 per year." It is not yet known whether HUD can arrange to renew these contracts, or the 500 expiring in January and the 550 in February, affecting tens of thousands more households. HUD is asking the private owners to cover the costs until this is resolved, but the landlords' capacity/willingness to do this is highly uncertain. If contracts are not renewed, tenants may be asked to pay unsubsidized rent, which may quadruple their costs.

Public housing units managed by local public housing authorities will not have access to FY 2019 Capital Funds until 60 days after a final HUD spending bill is signed into law. This will forestall repairs or renovation, already behind by many billions of dollars. Public Housing Operating Funds, which provide for day-to-day management of housing developments serving 1.1 million households, including routine maintenance and preparing units for occupancy, will run out of funding at the end of February.

Rental housing vouchers provide subsidized rents to private landlords. Federal funds are distributed to local Public Housing Authorities (PHA's), which in turn pay landlords part of the rent, with the remainder paid by the tenants. Funding is available to the PHA's through February, but if the shutdown continues, PHA's will not be able to pay landlords on March 1. It is likely that housing authorities will not provide newly available vouchers to families on the waiting list during this uncertain period.

A first troubling example of tenants being told to pay full rent has come to light in Arkansas, where an apartment complex funded under the USDA's Section 515 low-income rural rental housing program gave tenants until January 20 to come up with market rent. (See USDA section above.)

(For more housing information, see <u>Fact Sheet</u> by National Low Income Housing Coalition and Campaign for Housing and Community Development Funding)

U.S. Department of Commerce

The Census Bureau is housed within the Department of Commerce. Much of its surveying is on hold, but work on the time-sensitive 2020 Census has been continuing through \$1.056 billion in forward funding approved as part of the enacted FY 2018 appropriations bill. That has meant 2020 Census staff have been paid, but these funds are expected to run out by mid to late February or even sooner. Census experts are highly skeptical that all the work needed to carry out the 2020 Census will be done adequately with the funding available now. The Census Bureau needs additional funds to do the outreach needed to ensure an accurate count, a challenge made more difficult by the new use of online responses as well as distrust spurred by the Administration's proposed citizenship question (now ruled illegal in a New York federal district court, with that ruling subject to a possible challenge).

The American Community Survey, which provides state and local data on a host of topics, including poverty, income, health insurance, and many demographic details, has been discontinued during the shutdown. The ACS interviews 3 million people in a rolling sample throughout the year. Delaying the collection of this data could compromise the accuracy of the survey or its comparability to prior years.

Temporary Assistance for Needy Families (TANF)

TANF funding is not subject to annual appropriation, but the program's authorization expired in December. If the spending bills had passed, an extension of TANF would have been attached. With its authorization lapsed, the federal government could not distribute \$4.2 billion due to states for the period of January through March. Because states have unspent federal TANF funds plus state funding they must provide as a match, they are able to continue providing cash assistance and services for 3.4 million very poor children and parents. It is not clear how long states can continue to cover TANF expenses, or if they will start to curtail the already minimal services offered. It is reported by *CQ* that nine states do not have reserves of federal funds, and another 14 have limited reserves. A bill to extend TANF through June 30 passed the House by a voice vote on January 14. It was co-sponsored by the Democratic chair of the House Committee on Ways and Means (<u>Richard Neal, D-MA</u>), and the senior Republican on the Committee (Kevin Brady, R-TX).

(See <u>The Washington Post</u>, January 9.)

Internal Revenue Service (IRS)

Although at first the IRS was expected to be late in processing income tax refund checks, the outcry around slow refunds caused the IRS to call back some of its workers to work without pay. However, taxpayers who need the IRS to answer questions or correct errors are out of luck until the shutdown ends. In addition, several senators including Senate Finance Committee Ranking Member Ron Wyden (D-OR) wrote to the Trump Administration voicing concern that the IRS would delay payments of Advance Premium Tax Credits, which are the premium subsidies paid to many people insured through the Affordable Care Act.

Taxpayers who need the IRS to correct errors that have caused their pay or Social Security checks to be garnished are unable to find staff who can help them, resulting in serious losses of income.

(See <u>Accounting Today</u>, January 14.)

U.S. Department of Justice

Federal criminal justice cases are continuing, but most civil cases are being delayed, including those dealing with discrimination, whistleblowers, and immigration. Funding from court fees and other sources has allowed continued work on cases, but that will run out on Friday, January 18. The Administration's interests may be served in attempting to delay some of the cases. For example, DOJ sought a delay in a case brought by the NAACP against the Census Bureau, claiming that its lack of preparation for the 2020 Census will result in an undercount in communities of color. However, a U.S. District Court judge refused to agree to the stay, recognizing that Census preparations are time-sensitive.

Only one-quarter of the 400 immigration judges within the Department of Justice have been deemed "essential." They are hearing 5-10 percent of immigration cases, concerning detained immigrants. The backlog of immigration cases had already been overwhelming. Before the shutdown, immigration judges heard several thousand cases per day. Now, such hearings have been canceled.

(See <u>Washington Post</u>, January 8; <u>U.S. Courts Notice</u>, January 7.)

U.S. Department of Transportation

The National Highway Traffic Safety Administration has placed examinations of safety defects in vehicles on hold during the shutdown, including steering column separation, ignition and power steering problems, and exploding airbags, to name some of the 13 investigations that were under way in December. Although some of these safety failures resulted in death or injury and the law around shutdowns is supposed to require continued (if unpaid) operations to protect public safety and property, these investigations were <u>not being pursued</u> as of January 9.

The National Transportation Safety Board has <u>delayed investigating 12 crashes</u> involving deaths of 22 people and injuries to 15 because of the shutdown.

U.S. Department of Interior

The Indian Health Service (IHS) is funded through the Department of the Interior, and so is subject to the shutdown. In order to provide health care to 2.2 million Native Americans and Alaska Natives, 9,000 IHS staff (60 percent) are working without pay; many of them have low incomes. Patients can get care, but referrals to specialists outside IHS have been delayed. Past shutdowns have resulted in staff resignations, and IHS staff and community members fear that this shutdown will have the same impact, particularly damaging to services in remote areas where recruitment is always difficult.

Other services, such as policing, road maintenance and snow removal, are heavily dependent on federal funding, in part provided through the U.S. Bureau of Indian Affairs. Many of these workers are furloughed and now seeking assistance with food and utilities payments themselves.

(See Associated Press, January 12.)

Environmental Protection Agency

Inspections of water treatment plants, power plants, oil refineries and other industrial sites producing or using toxic materials have been halted during the shutdown, raising the possibility that dangerous conditions will go undetected. Work on climate models and hurricane forecasting adjustments has been

stopped. There are unpaid workers required to continue their work on Superfund clean-up sites and to maintain laboratories testing for toxic substances.

(See EPA <u>Contingency Plan for Shutdown</u>, January 14.)

U.S. Department of Homeland Security

As in all other departments affected by the shutdown, DHS workers engaged in public safety work are doing their jobs without pay. All the services described above, and more, are now being held up because of President Trump's wall ultimatum. He has not provided a credible rationale for expensive wall or barrier construction. Specifically:

• The wall will not increase national security or public safety.

The State Department said in July 2017 that there was "no credible information that any member of a terrorist group has traveled through Mexico to gain access to the United States." Data through March 2018 identified only 41 possible terrorists as coming from Mexico. Virtually all those seen as even possible threats arrive by plane or boat, through legal points of entry. *(See <u>Washington Post</u>, January 8, 2019.)*

It is also useless in protecting against drug smuggling.

Drug smuggling occurs in vehicles crossing at legal points of entry or by mail (source: U.S. Drug Enforcement Administration 2017 National Drug Threat Assessment). Funds would be helpful to increase the number of inspections of vehicles entering the U.S. (now only 18% are inspected by Customs and Border Patrol CBP). Funding the useless wall is a wasteful diversion of resources.

- There is a serious humanitarian problem at the border, and it is created by Trump. The logjam of people trying to enter lawfully (seeking asylum) is encouraging people to pay to get smuggled in or to cross at points other than ports of entry. Better to invest in quicker processing of asylum seekers, who are legally seeking asylum wherever they cross the border, than to spend money on a wall.
- More families with children are seeking to enter the country. We should be continuing to invest in programs in Central America that reduce violence and threats that impel people to flee, instead of threatening to cut those programs.
- We must be a nation that helps and protects children no lengthy child detentions, no family separations. But rather than negotiating in good faith, the Trump Administration repeatedly seeks to gut protections against lengthy child detentions and deportations.
- Trump's obsession has forced the Trump Shutdown, and it's hurting us. Because of the Trump wall obsession, 800,000 federal workers are going without pay, of whom 420,000 must continue to work without getting paid. Still other workers clean or staff restaurants in federal buildings, or do other work through contracts. They are losing pay. Services and public health and safety are being damaged now. If the Trump Shutdown continues deep into February, millions of people will start to

lose food aid, rental subsidies and possibly health insurance subsidies. There is wasteful disruption, uncertainty, and chaos. And all over a useless wall.

For more updates, see the Coalition on Human Needs' <u>Trump Shutdown Resources</u> webpage and check our <u>Voices for Human Needs</u> blog.