



COALITION ON HUMAN NEEDS

The Human Needs Report

March 4, 2019

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Talks and Speculation Kick off FY20 Budget Season

FY20 budget talks and speculation have kicked off on both ends of Pennsylvania Avenue. President Trump's FY2020 topline budget message, priorities, and summary tables are expected to be released the week of March 11. Detailed line-item information, including details on any proposed cuts to mandatory and discretionary (annually-appropriated) programs, will be released the week of March 18. Office of Management and Budget Acting Director Russ Vought [confirmed](#) that the President's budget will ignore statutory spending caps for defense spending by using the uncapped Overseas Contingency Operations (OCO) fund. According to *CQ*, the President's budget is expected to propose \$174 billion in OCO funding allowed outside the caps, in addition to the cap of \$576 billion for defense spending for FY20, leading to a total defense-related budget allocation of \$750 billion. This would be \$34 billion more than Congress appropriated for FY19 in total; the OCO funding would be more than double the \$69 billion provided for

OCO this year, despite the fact that OCO war-related operations are scheduled to diminish. If adopted, this would be an explicit effort to shatter budget caps in favor of Pentagon spending. Vought also confirmed that Trump will propose a 5 percent cut to nondefense programs, though it is unclear what baseline the Administration is using. The Coalition on Human Needs is hosting a webinar on President Trump's budget on March 14 at 2pm ET. Register [here](#) and stay tuned to upcoming *Human Needs Reports* for additional analysis of the President's and Congressional budget proposals.

Congressional leaders, meanwhile, are expected to try to negotiate a new budget deal to raise both defense and nondefense discretionary spending caps for FY20 and FY21. Without a new deal, deep sequestration cuts put in place by the Budget Control Act of 2011 will return, cutting discretionary spending by \$126 billion, or 10 percent, in FY20. Domestic and international appropriations would be cut by \$55 billion below this year's level of \$597 billion; military spending would drop \$71 billion from this year's level of \$647 billion, not counting the uncapped OCO funds. According to *CQ*, House Budget Chairman John Yarmuth (D-KY) will propose a two-year budget deal that will lift discretionary spending caps only in line with inflation or slightly higher, a much more modest increase than the FY18-FY19 spending caps boost. Complicating matters are programs that will require at least \$15 billion in additional funding over current year, including \$4 billion for the 2020 Census, \$6-8 billion for increased costs for veterans health services, and \$1 billion in affordable housing aid. According to some reports, Congress could be months away from reaching an agreement on a deal. Meanwhile, some House committees have begun preparing their "views and estimates" letters. Sent to the House Budget Committee, these letters outline each committee's budget and policy priorities for the year ahead, make their spending needs known for programs under their jurisdiction for the coming fiscal year, and react to the president's request.

In related budget news, the debt limit, which had been suspended for a year, was reinstated on March 2. The Treasury Department issued a report on Feb. 26 saying that it can use "extraordinary measures" to extend its borrowing authority to near the end of the fiscal year or early into the next one, at which time it will run out of cash unless the debt limit is raised or extended again. The raising of the debt ceiling could be combined at that time with a bipartisan deal to continue funding government and avoid another government shutdown. It could also be combined with a deal to raise spending caps.

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Puerto Rico to Lose Food Aid without Quick Congressional Action

Advocates' concerns are rising about the impending need for food aid in Puerto Rico. Funding for Puerto Rico's Nutrition Assistance Program (NAP), the island's version of SNAP/food stamps, was temporarily increased following hurricanes Irma and Maria, but without action by Congress, some [1.4 million Puerto Rican people \(who are U.S. citizens\)](#) will lose some or all food assistance beginning in March when the additional funding runs out. An additional \$600 million is needed to sustain the additional assistance for the rest of the fiscal year. Unlike the Supplemental Nutrition Assistance Program (SNAP), the more

responsive nutrition program for states and other territories such as Guam, Puerto Rico's NAP is a fixed block grant that can only increase to meet need if Congress appropriates additional funds.

On Feb. 26, Sens. David Perdue (R-GA) and Johnny Isakson (R-GA) introduced a disaster aid package ([S. 572](#)) that would provide \$610 million for Puerto Rico's NAP benefits, along with other aid for victims of other natural disasters across several states and territories in 2018. While advocates believe this is a positive step, they are concerned that senators will not act on the measure before they leave for their March recess, therefore not in time to prevent the loss of aid for people living on the island. Puerto Rico has not fully recovered from hurricane Maria, and 44 percent of its people live below the poverty line. Senate Leader Mitch McConnell has not yet scheduled floor time for the bill.

As reported in the [Feb. 14 Human Needs Report](#), a disaster aid package was included in the FY19 spending bill (H.R. 268) passed by the House. However, it was not included in the final FY19 spending bill passed by Congress earlier in February because President Trump opposed the food aid and other assistance for Puerto Rico. It has been [reported](#) that President Trump supports the new Senate bill.

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SNAP Rule Could Force 755,000 Off Benefits

The Trump Administration has proposed a rule that would time-limit food benefits for unemployed and underemployed people who can't document sufficient weekly work hours. Under the rule, these recipients would only be able to receive three months of benefits every three years because states would have far less flexibility to waive the time limits for areas with limited employment opportunities. Anti-hunger advocates estimate the rule would cause 755,000 to lose benefits. The Food Research & Action Center and other advocacy groups are urging members of the public to submit [comments](#) to the U.S. Department of Agriculture in opposition to the rule before the deadline of April 2.

Late last year, Congress passed and President Trump signed a new farm bill that rejected stricter time limits. Anti-hunger advocates protest that the Trump Administration's proposed rule is an end-run around congressional intent that would cause serious harm to individuals and communities while doing nothing to improve the health and employment status of SNAP recipients.

In 1996, when Congress enacted time limits on SNAP (then called food stamps) for certain adults who were unable to document sufficient hours of work each month, Congress provided that states could request from USDA waivers from the time limits for areas with 10 percent or higher unemployment and for areas with too few jobs. Anti-hunger advocates say the area waivers are important, albeit insufficient, safety valves for protecting food assistance for persons who are seeking but unable to find sufficient hours of work. In the decades since, USDA has abided by the decision of Congress and processed waiver requests from governors of both political parties based on accepted economic factors and metrics.

Senators from both political parties, including Lisa Murkowski (R-AK) and Debbie Stabenow (D-MI), are protesting the Administration's proposal.

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Consumer Financial Protection Bureau Proposes Repealing Payday Lending Rule

In a blow to consumers and especially low-income consumers of color, Consumer Financial Protection Bureau Director Kathy Kraninger has proposed repealing the bureau's payday and car title lending rule before it goes into effect. The 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 was finalized by the CFPB in 2017 after five years of research and input, including nearly half a million comments calling for protections that stop payday and car title lenders from trapping consumers in a cycle of debt.

Compliance with the payday lending rule was to begin in August 2019. While its repeal proposal is pending, the CFPB is also proposing to delay the compliance date for the rule from August 2019 to November 2020. Advocacy groups are urging the submission of comments to the CFPB by March 18, 2019 for the proposed compliance date delay and by May 15, 2019 for the proposed repeal of the rule.

The payday lending rule has been under attack by some since its inception. In January 2018, the CFPB's former Acting Director Mick Mulvaney announced that the Bureau would reconsider the rule, and that payday lenders might obtain a waiver from the rule while the rulemaking process was reconsidered. In March 2018, some members of the House introduced legislation to repeal the payday rule under the Congressional Review Act (CRA); however, Congress failed to act on this legislation before the deadline for doing so expired.

In seeking to overturn the rule, the Trump appointees disputed CFPB's extensive research showing typical interest rates of close to 400 percent and with four out of five borrowers needing to take out multiple loans because they could not afford to repay the original one. A February 25 [Washington Post story](#) showed that some research used by the Trump appointees to justify overturning the rule was paid for by the payday loan industry.

For more information, see the [Center for Responsible Lending](#) and the [Stop the Debt Trap](#) coalition.

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House Votes to Nullify Trump's National Emergency Declaration

The House on Feb. 26 approved a resolution to overturn President Trump's declaration of a national emergency on the southern border. The 245-182 vote was mostly along party lines, with 13 Republicans

crossing over to join all Democrats in approving the resolution. Under the National Emergencies Act, the Senate is required to take up the measure within approximately 18 days of the House vote. Senate Majority Leader Mitch McConnell (R-KY) has indicated the Senate will vote on the resolution before its March 18 recess. This means the Senate should act on or before Friday, March 15.

A simple majority of senators is needed to approve the resolution. If every Democrat votes in favor, then four Republicans would be needed to achieve a majority. Thus far, four Republicans – Sen. Susan Collins (R-ME), Sen. Lisa Murkowski (R-AK), Sen. Thom Tillis (R-NC), and Sen. Rand Paul (R-KY) – have indicated they would vote for the measure, enough to pass it. However, a two-thirds majority in both the House and Senate would be needed to override an expected veto by President Trump. It would be Trump's first veto while in office.

Shortly before the House vote, CHN [delivered a letter](#) to every member of the House urging a yes vote on the resolution.

Democrats argue that Trump's emergency declaration amounts to an unconstitutional effort to spend tax dollars on his proposed wall along the southern border – money that Congress has not appropriated for that purpose. They further argue that there is no southern border crisis. Some Republicans counter that a national emergency does, in fact, exist, and it is within the President's authority to transfer funds.

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House Panels Hold Hearings on Family Separation Policy

Several House panels recently held hearings on families separated at the southern U.S. border. On Feb. 7, the House Energy and Commerce Committee's Subcommittee on Oversight and Investigations held a [hearing](#) titled, "Examining the Failures of the Trump Administration's Inhumane Family Separation Policy." Witnesses included representatives from the U.S. Government Accountability Office, Department of Health and Human Services, Kids in Need of Defense, the American Academy of Pediatrics, and the American Psychological Association. In addition, the House Judiciary Committee held a [hearing](#) on the Trump Administration's family separation policy on Feb. 26. While similar in some ways to the Feb. 7 hearing, this hearing focused less on mental health and more on learning more about the implementation of the Trump Administration's zero tolerance policy. Witnesses included representatives from Immigration and Customs Enforcement, Customs and Border Protections, and the Department of Justice. Commander Jonathan White of the U.S. Public Health Service Commissioned Corps at the Department of Health and Human Services testified at both hearings. On Feb. 27, the House Appropriations Committee's Subcommittee on Labor, Health and Human Services, and Education held a [hearing](#) on "Reviewing the Administration's Unaccompanied Children Program." Witnesses included representatives from the Center for Immigration Studies, Kids in Need of Defense, and the Women's Refugee Commission's Migrant Rights and Justice Program.

At the Feb. 26th hearing, the committee voted (25-11) to issue subpoenas to Attorney General William Barr, Secretary of Homeland Security Kirstjen Nielsen, and Secretary of Health and Human Services Alex Azar. According to *CQ*, the committee agreed to subpoena documents from all three agencies that would identify the children and parents of any families separated under the policy, the locations and facilities where they were held, and whether reunification has since occurred, among other information. Committee Chairman Elijah Cummings (D-MD) said the subpoenas were issued because the committee never received information in requested last July.

The hearings were partially in response to a government watchdog [report](#) released on Jan. 17, which found that the Trump Administration likely separated thousands more migrant children from their parents at the U.S. border than has previously been made public, but federal efforts to track those children have been so poor that the precise number is unknown. The [revelations](#) by the Inspector General of the Department of Health and Human Services drew concern and outrage from immigrant advocates, and members of the U.S. House promised to step up oversight efforts.

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