Coalition on Human Needs

The Human Needs Report

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House Begins Work on Spending Bills without Agreement on FY20 Spending Caps

Several House Appropriations subcommittees took up spending bills covering their areas of jurisdiction the week of April 29, even as an agreement between the House and Senate on FY20 top-line spending limits has yet to be reached.

As reported in the April 9 *Human Needs Report*, the Senate Budget Committee on March 28 adopted (11-9) a five-year budget resolution along party lines that adheres to the draconian 2011 Budget Control Act spending caps. Getting a budget resolution passed by both chambers of Congress is challenging – even more so in years when the two chambers of Congress are controlled by different parties. Understanding this, House Budget Committee Chair John Yarmuth (D-KY) decided to skip the budget process and instead, on April 3, his committee approved (19-17) legislation that would raise discretionary (annually-appropriated) spending caps for fiscal years 2020 and 2021. The bill would raise the FY20 nondefense spending cap to $631 billion, up $34 billion over FY19 levels, and the defense cap to $664 billion, $17 billion over FY19 levels. Both caps would increase further in FY21. Additional funds outside the caps would be provided for the 2020 Census, other defense operations, and other purposes.

However, disagreements among Democrats meant this bill was not brought to the floor. Instead, the House adopted (219-201) a "deeming resolution," essentially an informal agreement which set the FY20 top-line limit on discretionary spending at $1.295 trillion. A deeming resolution allows appropriators to move forward with drafting spending bills absent a more-formal budget resolution in place. The full House Appropriations Committee is set to allocate the $1.295 trillion across all 12 appropriations subcommittees (known as 302(b) allocations) on May 8.

These levels are not binding in the Senate, however, and a new bipartisan deal to raise tight spending caps and automatic cuts (also known as sequestration) put in place by the 2011 Budget Control Act still needs to be reached with the Senate. According to the Center on Budget and Policy Priorities, without a new caps deal, non-defense discretionary programs would be cut by $55 billion and defense by $71 billion in FY20, compared to FY19 levels.

Senate Appropriations Chair Richard Shelby (R-AL) has said he will not agree to the House spending limits and he will wait to see if an agreement on spending limits can be reached before his committee takes up its own versions of FY20 spending bills. President Trump reportedly remains opposed to lifting the spending caps.

Analysis from CHN shows the importance of lifting the spending caps in order to prevent serious losses in human needs programs. CHN's work showed that out of 184 programs tracked, 131 of the programs, or 71 percent, lost ground between FY 2010 and FY 2019. Without changing the law to lift next year's low spending caps, the cuts in spending would mean that far fewer people would be served by the 184 human needs programs CHN looked at.

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Labor-HHS-Education Spending Bill Contains Important Gains for Human Needs Programs

The House Appropriations Subcommittee on Labor, Health and Human Services, and Education took up and passed (voice vote) its FY20 spending bill on April 30. The "Labor-H" bill provides $189.8 billion for the departments, up $11.7 billion or 6 percent over FY19 and up $47.8 billion over President Trump's FY20 budget request. Including unused funds in the Children's Health Insurance Program, the bill would spend $204 billion in total. Advocates were pleased that the proposed increase for this spending bill is proportional to the total nondefense discretionary (annually-appropriated) spending increased proposed by House leaders, which has not always been the case in past years. The full House Appropriations Committee is expected to take up the bill on May 8. A summary of the Labor-H bill from House Democratic appropriators can be found here. The full text of the bill can be found here.

Advocates were also pleased that the proposal contains increases for numerous important human needs programs. For example, the **Child Care and Development Block Grant** (CCDBG) is increased by $2.4 billion to a total of $7.7 billion, a 45 percent increase over FY19 levels without adjusting for inflation. This builds on a substantial increase in CCDBG funding provided in FY18, though child care resources would still remain short of what is needed to assist all eligible children. **Head Start** funding grows from $10.1 billion to $11.6 billion, an increase of 15 percent. Funding for **Preschool Development Grants** rises from $250 million to $350 million.

Job training programs, flat-funded for many years (and therefore cut roughly 16 percent by inflation since FY2010), see an increase in this bill as well. For example, **Adult Workforce Innovation and Opportunity Act (WIOA) job training** funding rises from $845.6 million to $900 million, and **Youth WIOA** increases from $903.4 million to $964 million. **YouthBuild** funding rises from $89.5 million to $128 million.

The bill increases funding for many programs that President Trump's FY20 budget proposal would have eliminated, including the **Senior Community Service Employment for Older Americans** program, which gets an increase from $400 million to $464 million, and the **Low Income Home Energy Assistance Program** (LIHEAP), which receives $3.8 billion, an increase of $150 million. Funding for **21st Century Community Learning Centers**, which provide afterschool programs, rises from $1.2 billion to $1.3 billion.

In education, the bill provides an increase of $1 billion for **Title I K-12** low-income schools, to $16.9 billion; and an increase of $1 billion for **Special Education Part B Grants to States**, to $13.4 billion. **English Language Acquisition** funding increases from $737.4 million to $980 million, a one-third increase. The maximum **Pell Grant** rises to $6,345 per student, an increase of $150 over maximum in FY 2019. **Federal Work Study** would be increased to $1.4 billion, a $304 million bump.

Funding for the **National Institutes of Health** is $41.1 billion in the proposal, an increase of $2 billion over FY19. The bill also includes $50 million for **firearm injury and mortality prevention research** at the Centers for Disease Control and Prevention and the NIH.

Total funding for **Refugee and Entrant Assistance** programs is up from $1.9 billion to $2.4 billion, to cope with the increased number of families and children entering the country, many seeking asylum. The bill includes language prohibiting the use of funds for sharing of information between HHS and the Department of Homeland Security about the immigration status of family members with whom a migrant child is placed. The bill also prohibits the use of funds to go against existing laws and court agreements that protect migrant children from being incarcerated or from being deported without consideration of their safety.

Even with the increases, the Center on Budget and Policy Priorities noted that total funding for all programs covered in the Labor-H bill would be just 3 percent above what it was a decade ago in inflation-adjusted terms.

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Senate Reportedly Closer on Disaster Relief

Senate negotiators reportedly are coming close to reaching agreement on disaster aid to victims of hurricanes, wildfires, tornadoes, flooding and other natural disasters that have devastated both states and U.S. territories over the past several years. Funding is likely to rise from the $13 billion provided in a Senate bill introduced before the recess by Senator Perdue (R-GA) to more than $17 billion. Most of the increase is for Midwestern states with crop damage from flooding.

According to *CQ*, the latest GOP offer from Senate Appropriations Chair Richard Shelby (R-AL) would add $431 million in new Community Development Block Grant funds, of which $304 million would be earmarked for Puerto Rico. But Puerto Rico would not be able to access the money until at least 75 percent of its previously approved grant money had been spent. The proposal also incorporates an amendment by Senator Cornyn (R-TX) to require HUD to release previously appropriated funds to Puerto Rico within 90 days, a provision which may be complicated by delays by the Office of Management and Budget in approving rules for the release of these funds. The proposal also allows Northern Mariana Islands officials to access Medicaid funding, another provision sought by advocates. Guam and American Samoa also need additional Medicaid funding, but it is not clear at this point whether the new proposal will include these funds.

A vote in the Senate could occur as early as this week. Advocates are concerned that the longer it takes to approve the disaster aid, the greater the chance that the funding could be linked to $4.5 billion the Trump Administration has requested to deal with the influx of migrants along the U.S. southern border (see the related article in this *Human Needs Report* for more on this).

Meanwhile, the House plans to take up its own $17.2 billion disaster aid package this week.

Since January, the Senate has debated but failed to pass a comprehensive supplemental appropriations bill that would provide aid for the millions of families in need. Advocates, who rallied at the U.S. Capitol last week and embarked on a series of visits to Senate offices, say $17 billion is needed to help at least 16 states and territories that have suffered from catastrophic natural disasters beginning with Hurricane Harvey in August 2017: Texas, Puerto Rico, Florida, Georgia, South Carolina, North Carolina, California, Alaska, Alabama, Iowa, Nebraska, Kentucky, U.S. Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands.

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Trump Administration Calls for Additional Border Funding along with Tougher Path for Asylum Seekers

The Trump Administration on May 1 requested an additional $4.5 billion to deal with the influx of migrants at the U.S. southern border. According to the White House, $3.3 billion of the money would be spent on humanitarian relief, including $2.8 billion for the Department of Health and Human Services

(HHS) to increase the number of shelter beds and provide services to unaccompanied children. Without Congressional action, the Administration says HHS is likely to run out of money in June and may need to "divert significant resources from other programs that serve vulnerable populations – such as refugees and victims of trafficking and torture."

While the supplemental request did not include money for a border wall, many Democrats oppose the request. House Appropriations Chair Nita Lowey (D-NY) said in a statement, "[T]he Trump administration appears to want much of this $4.5 billion emergency supplemental request to double down on cruel and ill-conceived policies, including bailing out ICE for overspending on detention beds and expanding family detention. Locking up people who pose no threat to the community for ever-longer periods of time is not a solution to the problems at the border." However, she agreed to review the request to see where areas of agreements could be found to improve conditions for immigrants at the border.

The border funding request may also further complicate a disaster aid package that has remain stalled for months. Some believe President Trump may hold disaster aid for Puerto Rico and other U.S. territories hostage until Democrats agree to the additional border funding. For more on the disaster aid package, see the related article in this *Human Needs Report*.

The funding request came just days after the Trump Administration proposed major changes to U.S. asylum policies. A presidential memorandum released April 29 directs Attorney General William Barr and Acting Homeland Security Secretary Kevin McAleenan to, within 90 days, propose regulations to change numerous aspects of the way asylum cases are currently handled. The proposal calls for charging a fee to asylum seekers and barring anyone who crosses the border illegally from obtaining a work permit while their applications are pending. It also calls for asylum cases to be adjudicated within 180 days of filing. According to the *Washington Post*, this is already a requirement, but a lack of resources often means asylum seekers wait years for their hearings.

Politico reported that the Administration is also calling for "regulations that would place asylum seekers who pass a credible-fear interview or demonstrate a credible fear of torture into asylum-only proceedings. Such a change would keep them from seeking other forms of relief during the process." *Politico* also notes that additional active-duty military personnel, military lawyers, and ICE officers are being sent to the border.

Many predict the President's proposed asylum changes will face court challenges. A *Washington Post*-ABC News poll conducted before the memo was released shows that only 30 percent of Americans favor making it harder for those seeking asylum to obtain it.

Intensifying his attacks on immigrants, President Trump complained that Border Patrol agents who "get cute" and "get tough" with migrants in their custody would face arrest themselves, according to the *Washington Post*. Further, *Reuters* reported on May 3 that the U.S. Department of Justice was about to propose a new rule to expand its ability to deport lawful permanent residents who make use of benefits such as Medicaid, SNAP, or housing assistance, even when it is legal for them to use such aid. While it is not known what the Administration has in mind, there is little doubt that such a rule would be challenged in court. Nonetheless, there is already plenty of evidence that immigrants have dropped out of programs despite their eligibility because of fear. This new proposal will only intensify those fears and cause more people to reject help they or their children qualify for and need.

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Deadline Approaching for Payday Lending Comments

The May 15 deadline is fast approaching for submitting comments in opposition to the Trump Administration's proposed rollback of a rule that would protect consumers from predatory payday lenders.

In October 2017, the Consumer Financial Protection Bureau (CFPB) issued a final rule requiring that lenders check a borrower's ability to repay before lending money in the form of payday or car title loans. But Trump Administration appointees who now lead the CFPB have been working to gut this crucial protection, which is known alternately as the "ability to pay rule," or the "underwriting provision." Without this protection, greedy lenders can force borrowers to take out multiple loans, some averaging more than 350 percent interest, which they can't fully pay back. This way, consumers are trapped in debt far more costly than the original loan.

The rule was years in the making. It was finalized after five years of research and input, including nearly half a million comments calling for protections against the payday lending industry. It would have required 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.

Compliance with the payday lending rule was to begin this August. But the CFPB has been working to delay enforcement, even as it seeks to overturn the rule altogether.

On May 2, CHN and Americans for Financial Reform hosted a webinar on the payday lending rule (see the slides from the webinar here; a full captioned recording of the webinar will be available soon). For more information, see CHN's payday lending campaign page, as well as pieces on CHN's *Voices for Human Needs* blog on efforts to dismantle the CFPB; who payday lending hurts; and payday lending stories shared with CHN.

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