COALITION ON HUMAN NEEDS

The Human Needs Report

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Deal on Spending Levels Close

A deal between House and Senate leaders and the White House to raise tight spending caps put in place by the 2011 Budget Control Act is reportedly in the final negotiation stage. While final details are still trickling out, it has been reported that House Speaker Nancy Pelosi (D-CA) and Treasury Secretary Steven Mnuchin have agreed to a deal that will raise spending caps for FY20 and FY21 and raise the debt ceiling through July 31, 2021.

The agreed-upon topline spending levels will reportedly include about $320 billion in additional spending over the current caps over the two fiscal years, and will reportedly include equal increases for defense and nondefense appropriations in a principle known as parity, pushed for by Democrats. That is likely to mean a smaller increase for domestic appropriations than the House has proposed for FY2020, but the details are not yet known, and the full impact will depend on whether certain expenditures are taken outside the agreed-upon spending caps. The latest report from *CQ* is that the deal will also include roughly $75 billion in offsets to partially pay for the additional spending; these offsets may be similar to those used in the last two-year spending deal, which included extending automatic cuts to mandatory programs (those not subject to the annual appropriations process), currently set to expire in 2027. The House would be expected to pass the package later this week before heading home for the August congressional recess, with the Senate following either this week or next.

Without a deal to change current budget law, domestic programs subject to appropriations would face cuts of about 10 percent overall in the fiscal year that begins October 1. Because certain program areas must increase, such as the constitutionally required 2020 Census and previously enacted increases in veterans' health services, other programs will lose even more.

Reaching a deal became more of a time-sensitive matter after the Treasury Department called on Congress last week to increase the debt limit before the August recess to ensure the government would continue to be able to borrow to pay its bills. Economists and business leaders overwhelmingly agree that failure to raise the debt ceiling would do catastrophic damage to the U.S. and to economies and markets worldwide. House Speaker Nancy Pelosi (D-CA) and other top Democrats said they would not pass a debt ceiling increase without a spending caps deal.

In June, more than 250 national organizations joined CHN in urging Congress to lift budget caps and set domestic and international spending for FY 2020 at levels no less than the House totals. The House agreed on a FY20 cap for appropriations of $631 billion for programs other than defense, and placed additional funds for programs including the 2020 Census outside the budget cap.

With topline spending limits in place, appropriators can return to the business of passing detailed spending bills for FY20. The House of Representatives has passed 10 of the 12 required FY20 spending bills, while the Senate has not yet moved any bills. For more information, see the July 1 *Human Needs Report*.

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Trump Administration Moves to End Asylum; ACLU Cries Foul

The Trump Administration last week announced a sweeping rule that cuts off asylum for almost all migrants who pass through another country en route to the U.S.-Mexico border, and it took the ACLU all of 48 hours to file a lawsuit.

The rule, which took effect almost immediately, applies to almost anyone arriving at the U.S. southern border. Sometimes asylum seekers from Africa and other continents arrive there, but the overwhelming majority of migrants arriving are Central Americans from El Salvador, Guatemala, or Honduras.

The move by the Trump Administration is aimed at essentially ending asylum protections on the southern border, reversing decades of U.S. policy on how refugees are treated. It comes as the government continues to clamp down on migrants, and as migrant advocates protest the inhumane treatment of those being held in border facilities.

The ACLU was not impressed.

On behalf of four advocacy organizations, it filed a lawsuit arguing that this latest crackdown violates federal immigration and regulatory laws.

"This is the Trump Administration's most extreme run at an asylum ban yet," said ACLU attorney Lee Gelernt. "It clearly violates domestic and international law and cannot stand."

In the lawsuit, filed in the Northern District of California, the ACLU asserted that the new regulation "is part of an unlawful effort to significantly undermine, if not virtually repeal, the U.S. asylum system."

The ACLU further contends that the rule violates federal asylum law, which makes protections available to migrants whether or not they arrive at a port of entry. In addition, the ACLU is arguing that the Trump Administration violated regulatory guidelines when it issued the sweeping change immediately and without going through a thorough public process that would allow for a public comment period.

In a related development, threatened raids by ICE targeting 2,000 immigrants in nine U.S. cities failed to develop, leaving advocates temporarily relieved but still on edge and immigrants remaining in hiding.

In Miami, according to NPR affiliate WLRN, a hush fell over a market usually buzzing with activity among immigrant merchants and shoppers.

"People are clearly hiding," Yohanna Gomez, a Honduran immigrant who runs a Central American stall at the market, told WLRN. "If you look around, it's the people who are working are basically the only people here. But the majority of our clients are immigrants. Some with papers, others with no papers, but they're all scared."

Click here to read CHN's response to the threatened raids.

And in yet another development on the immigration front, emotions ran raw when the House Oversight Committee conducted a hearing on conditions in immigrant facilities along the southern border. The hearing was one of a series of hearings taking place not only on migrant detention facilities but also examining the Trump Administration's overall immigration policies.

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Citizenship Question Out of 2020 Census, Trump Concedes;
But Controversy over the Question Continues

Even though the U.S. Supreme Court in late June put a halt to the Trump Administration's efforts to include a citizenship question in the 2020 Census, and President Trump announced on July 11 his

Administration would stop pushing for the addition of such a question, controversy over the effort continues.

Last week, on Tuesday, July 16, attorneys for plaintiffs who sued to prevent the citizenship question filed a formal request for U.S. District Judge Jesse Furman of New York to consider imposing sanctions on the Trump Administration for allegedly providing misleading statements as part of the multiple lawsuits over the question, which was originally approved by Commerce Secretary Wilbur Ross. Administration officials allegedly engaged in conduct that is "nothing less than a fraud on the Court," plaintiffs' attorneys with the ACLU and New York Civil Liberties Union argued.

"Through the use of false or misleading testimony, they obscured evidence suggesting that the true purpose of Secretary Ross's decision to add a citizenship question to the 2020 Census – suppressing the political power of minority immigrant communities," the lawyers argued.

Meanwhile, on the evening of Wednesday, July 17, the House voted largely along party lines to hold Ross and Attorney General William Barr in criminal contempt for defying subpoenas for documents relating to their efforts to add the citizenship question. The House approved the contempt measure 230-1 98, with four Democrats joining all Republicans in voting against the resolution.

Democrats argued that the measure was necessary to hold officials accountable for obstruction and for pursuing efforts to undermine the Census. "The resolution that's before us today is about protecting our democracy….It is about protecting the integrity of this body – it's bigger than the Census. It's about protecting the integrity of the Congress of the United States of America," said Rep. Elijah Cummings (D-MD), chairman of the House Oversight and Reform Committee.

Finally, some confusion exists over an executive order issued by President Trump instructing the Social Security Administration, the Department of Homeland Security, and other federal agencies to gather information on citizenship data. The confusion exists in part because Secretary Ross already had directed the Census Bureau to gather that information last year. A recent filing to the White House Office of Management and Budget confirms that Ross has now ordered the Census Bureau to release citizenship data based on those records to state redistricting officials in 2021.

Combined, these actions raise red flags among advocates of democratic reform and fair elections. Why? Because some conservatives in the past have endeavored to base political districts on the number of *citizens* who live in the districts as opposed to the number of *persons*. The result of such maneuvering is to dilute the voting power, in particular, of people of color and immigrant communities, resulting in Congressional or other districts that are skewed to over-represent white and more conservative voters.

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ACA Headed Back to Supreme Court?

A full nine years after its enactment, the future of the Affordable Care Act remains uncertain as courts continue to grapple over its constitutionality. Earlier this month, a three-judge panel of the Fifth Circuit Court of Appeals heard arguments over whether the fact that Congress eliminated the ACA's penalty for not signing up for health care rendered the entire law invalid.

The argument pitted 18 Republican state attorneys general and the Trump Administration against 20 state attorneys general and the U.S. House. Of the 20, 18 are Democrats, and two are Republicans – the Republican attorneys general of Montana and Ohio crossed over to join the Democrats after warning that millions of people in their two states combined would lose coverage if the ACA is overturned.

A ruling from the Fifth Circuit is expected in early fall; based on arguments before the court, it is impossible to conclude how the court will rule. However, whichever side loses is expected to appeal to the U.S. Supreme Court, which – if the high court accepts the case – presumably would add it to its 2020 term, setting the stage for a decision in the middle of an election year. This would be the third time that the Supreme Court has taken up the ACA's constitutionality.

During arguments before the Fifth Circuit, two of the panel's three judges – both appointed by Republican presidents – aggressively questioned defenders of the ACA whether the ACA's individual mandate is constitutional and whether the entire law could stand without it.

Appellate Judge Jennifer Elrod, a George W. Bush appointee, posited that members of Congress – who failed to agree on an ACA replacement plan two years ago – deliberately eliminated the mandate penalty because they knew the rest of the law would have to fall. She said perhaps lawmakers thought, "Aha, this is the silver bullet that's going to undo Obamacare."

But attorneys for the states defending the ACA pushed back. They said that Congress clearly intended for the rest of the law to survive when it eliminated the mandate penalty. "All the court has to do is look at the text," said Samuel Siegel, the attorney representing the mostly Democratic-led states.

You can read more about the intricacies of the case before the Fifth Circuit here.

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Advocates Celebrate House Passage of $15 Minimum Wage Bill

Advocates celebrated the July 18 House passage of legislation to gradually raise the federal minimum wage from $7.25 to $15 by 2025 and index it to inflation after that. The Raise the Wage Act (H.R. 582) would also phase out the outdated subminimum wage for tipped workers, which has been frozen at $2.13 since 1991, and sunset the subminimum wage for workers with disabilities and workers under age 20. The bill passed by a vote of 231-199; three Republicans supported the measure, while six Democrats and one Independent opposed it. CHN sent a letter to representatives before the vote urging them to support the bill.

A Republican effort opposed by advocates that would have substantially undermined the bill narrowly failed (210-218). The effort would have exempted employers with fewer than 10 employees or annual gross income of less than $1 million. Advocates warned that the amendment would exclude most business employers and would not only hurt low-wage workers but also hurt small businesses by incentivizing employees to not work for them. Members of the Congressional Progressive Caucus said they would vote against the bill if this language was added.

One amendment, offered by Rep. Tom O'Halleran (D-AZ), did pass (248-181). It would require the Government Accountability Office to submit a report to Congress on the economic and employment impacts of the wage increases in the bill, with the report to be prepared after the second wage increase and before the third wage increase. The amendment also requires Congress to assess the report's findings and to take any appropriate legislative action, including action to delay or otherwise modify the next scheduled wage increases.

Analysis from the Economic Policy Institute (EPI) shows that the bill would lift wages for more than 33 million workers – including more than 9.4 million parents and 6.2 million workers in poverty – and would boost annual earnings for the average affected year-round worker by $2,800. The Congressional Budget Office, Congress's nonpartisan scorekeeper, estimated that the bill would lift 1.3 million people out of poverty, nearly half of them children. CBO also estimated that there could be job loss if the $15 minimum wage were in effect (possibly 1.3 million people jobless in an average week in 2015, although they concede there is a good chance job loss could range from essentially zero up to 3.7 million). EPI notes that the most credible evidence from areas where the minimum wage has been raised the highest, such as Seattle, does not show job loss.

Christine Owens, Executive Director of the National Employment Law Project, one of the leads of the Raise the Wage campaign, said in a statement after the successful vote, "Today's House vote for a $15 minimum wage reflects the will of the people: Raising the minimum wage is long overdue, and it's popular with voters in every state, and across all demographics including political affiliation. We applaud the House for doing its job. Now there's no other moral choice but for the Senate to take up the Raise the Wage Act and move it forward." A statement from the National Women's Law Center said in part, "This is an historic, bipartisan vote for millions of working people—especially for women, who are the majority of workers who will see bigger paychecks thanks to the Raise the Wage Act. … [A]l of us will benefit from an economy that values everyone's work." Deborah Weinstein, Executive Director of CHN, said, "Lifting low-income workers is the right and moral thing to do, pure and simple, and the Senate should take up the Raise the Wage Act for its consideration."

A $15 minimum wage bill has been introduced in the Senate (S. 150) by Sen. Bernie Sanders (I-VT). Whether or not the legislation will move in that chamber is uncertain.

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Proposed Rule Would Favor Abusive Debt Collectors over Consumers

Aug. 19 is the deadline for commenting on a proposed rule that would do more to protect the interests of abusive debt collectors than protect consumers. Advocates believe the proposed rule weakens the Fair Debt Collection Practices Act (FDCPA) by undermining its goals of stopping harassment, protecting consumer privacy, and preventing collection against the wrong person or in the wrong amount.

The rule, proposed by the Trump Administration's Consumer Financial Protection Bureau (CFPB), would allow debt collectors to:

- Call consumers seven times per week, per debt. A consumer with eight medical debts could hear the phone ringing up to 56 times a week.

- Contact consumers by text, email, or direct message without their permission and send important information through hyperlinks. In addition to the obvious harassment, this raises huge cyber security concerns.

- Sue consumers without the debt collector's attorneys reviewing original account documents to make sure the consumer is the right person and the debt is the right amount.

- Collect debt that is so old that the deadline for a lawsuit has passed and records of who owes the debt and for how much may be lost.

For more information about the proposed rule, and what can be done to improve it, see this issue brief published by the National Consumer Law Center (NCLC). NCLC also set up a portal for submitting public comments to the CFPB about the rule and a tool for collecting personal stories from individuals who have encountered abusive debt collectors.

In 2017, 71 million Americans – nearly one in three adults with a credit report – had a debt in collection reported on their credit reports. Nationally, the percentage of people with debt in collection reaches 45 percent for residents of predominantly non-white zip codes. Abuses by debt collectors are consistently among the top consumer complaints to the CFPB.

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